

53RD

GST COUNCIL MEETING



**Implementing
53rd GST Council meeting
recommendations.**

Synopsis of Circulars and Notifications

- ❖ Notification No: 12/2024 CT To 15/2024 CT all dated 10-07-2024.
- ❖ CBIC Circular No. 224/18/2024-GST To 227/21/2024-GST all dated 11-07-2024

Intro

- The 53rd GST Council meeting, held on June 22, 2024, in New Delhi, has made significant recommendations aimed at enhancing the GST framework.
- In order to implement the recommendations, the CBIC has issued Circular No: 207/01/2024-GST to 222/16/2024, all dated 26-06-2024.
- The CBIC has now issued notifications for certain recommendations and further circulars clarifying specific issues.
- The synopsis of Notifications and Circulars are given in the following slides.

Disclaimer

- This presentation is only synopsis on the notifications and CBIC Circulars issued recently for easy understanding.
- The viewers are advised to read the relevant notification and circular for all legal purpose.

Synopsis of Notifications.

Notification No: 12/2024 CT to 15/2024 CT all dated 10-07-2024

Notification No. 12/2024 – Central Tax

- This notification introduces various amendments to the Central Goods and Services Tax (CGST) Rules, 2017 and the Key Amendments: are:
- Rule 8 (Sub-rule 4A)
 - Adds a new proviso that mandates taking a photograph of the applicant (or related individuals if the applicant is not an individual) along with verification of original documents at a facilitation center. This applies to applicants who have not opted for Aadhaar authentication.
- Rule 21: Amendments to clauses related to FORM GSTR-1 and FORM GSTR-1A.
 - Clause (f): Amends to include FORM GSTR-1A in addition to FORM GSTR-1 for compliance. New Clause (ga): Introduces a clause for violations related to third or fourth proviso to sub-rule (1) of rule 23, leading to potential cancellations of GST registration.

Notification No. 12/2024 – Central Tax continues...

- Rule 21A (Sub-rule 2A):: Amendments to incorporate FORM GSTR-1A in validation processes.
 - Clause (a): Updates to include amendments in FORM GSTR-1A for determining significant discrepancies leading to suspension of registration.
- Rule 28 (Sub-rule 2): Retrospective amendment for valuation of services for providing corporate guarantees, effective from 26th October 2023.
 - Corporate Guarantees: Clarifies valuation of services for corporate guarantees provided to related persons located in India. Specifies the valuation to be 1% of the guarantee amount per annum or actual consideration, whichever is higher. Proviso: If the recipient is eligible for full input tax credit (ITC), the value declared in the invoice is deemed to be the value of the supply.
- Rule 36 and Rule 37A:
 - Amendments to include references to FORM GSTR-1A.

Notification No. 12/2024 – Central Tax continues...

- Rule 39: ISD Credit Distribution:
 - Details the revised process for Input Service Distributors (ISD) to distribute ITC.
 - The credit must be distributed in the same month and recorded in FORM GSTR-6.
- Pro-rata Distribution:
 - Specifies how credit should be distributed pro-rata based on turnover and introduces a formula for calculation.
- Separate Distribution:
 - Mandates separate distribution of ineligible ITC and eligible ITC.

Notification No. 12/2024 – Central Tax continues...

- Rule 59 and Rule 60:
 - Enables taxpayers to amend outward supplies in FORM GSTR-1A. Provides detailed instructions for using FORM GSTR-1A to amend or add details not included in the initial FORM GSTR-1
- Rule 62:
 - Extends the deadline for filing returns in FORM GSTR-4 for financial years from FY 2024-25 onwards to the 30th of June following the end of such financial year.
- Rule 89:
 - Introduces a mechanism for claiming refunds on additional integrated tax paid due to upward price revisions after exports. Requires filing FORM GST RFD-01 and provides a list of necessary documents.
- Rule 95B:
 - New rule for refund of tax paid on inward supplies received by Canteen Stores Department.

Notification No. 12/2024 – Central Tax

- Rule 110 and Rule 111:
 - Detailed procedures for filing appeals to the Appellate Tribunal.
- Rule 113A:
 - Provisions for withdrawal of appeals or applications filed before the Appellate Tribunal.
- Rule 138 and Rule 142:
 - Amendments to include FORM GSTR-1A.FORM GSTR-2A and FORM GSTR-2B: Updates to include references to FORM GSTR-1A.

Old and New provisions after Amendment in GST Rules, 2017

Rule	Old Provision	New Provision
Rule 8 (Sub-rule 4A)	Aadhaar authentication or other documents	Photograph and document verification at facilitation center for non-Aadhaar applicants
Rule 21 (Clause f)	Compliance with FORM GSTR-1	Includes FORM GSTR-1A for compliance
Rule 21A (Sub-rule 2A)	Discrepancies in GSTR-3B and GSTR-1	Includes amendments in FORM GSTR-1A for discrepancies
Rule 28 (Sub-rule 2)	General valuation rules	1% of guarantee amount per annum or actual consideration for related persons; invoice value deemed for full ITC
Rule 36 (Sub-rule 4)	ITC based on FORM GSTR-1	Includes FORM GSTR-1A amendments for ITC
Rule 37A	Applied to GSTR-1 discrepancies	Applies to GSTR-1 and FORM GSTR-1A discrepancies
Rule 39 (Sub-rule 1)	ISD ITC distribution conditions	Monthly distribution in FORM GSTR-6, pro-rata based on turnover

Old and New provisions after Amendment in GST Rules, 2017

Rule	Old Provision	New Provision
Rule 59 and Rule 60	Reporting in FORM GSTR-1	Amendments/additions in FORM GSTR-1A
Rule 62	Fixed deadlines for GSTR-4	Deadline extended to June 30th following FY end
Rule 89 (Sub-rule 1B)	No provision for upward price revision refunds	Mechanism for refunds in FORM GST RFD-01
Rule 95B	No specific rule for CSD refunds	CSD can claim 50% central tax refund on inward supplies in FORM GST RFD-10A
Rule 110 and Rule 111	General appeal/application provisions	Detailed procedures for electronic/manual submission, fees, acknowledgments
Rule 113A	No withdrawal provision	Allows withdrawal of appeals/applications before order issuance
Rule 138 and Rule 142	E-way bill and payment adjustments	Provisions for unregistered persons and FORM GST DRC-03 adjustments
FORM GSTR-2A and FORM GSTR-2B	No FORM GSTR-1A inclusion	Includes FORM GSTR-1A references

Notification No. 13/2024 – Central Tax

- Rescinds the Notification No. 27/2022-Central Tax in view of the Insertion of a proviso for additional authentication requirements for applicants who do not opt for Aadhaar authentication in Rule 8 (Sub-rule 4A.

Notification No. 14/2024 – Central Tax

- Taxpayers with an aggregate turnover up to two crore rupees in FY 2023-24 are exempt from filing the annual return.

Notification No. 15/2024 – Central Tax

- Amends Notification No. 52/2018-Central Tax.
- Notification No. 52/2018-Central Tax was issued to specify the rate at which tax should be collected at source (TCS) by electronic commerce operators under Section 52 of the CGST Act, 2017. TCS Rate:
- The original notification mandated that electronic commerce operators collect tax at a rate of "half per cent." (0.5%) of the net value of taxable supplies made through the operator by other suppliers.
- **Now the rate is reduced to 0.25% of the net value.**

Synopsis of Circulars.

**CBIC Circular No. 224/18/2024-GST to
227/21/2024-GST all dated 11-07-2024**

Circular No. 224/18/2024-GST

■ Subject:

—Guidelines for Recovery of Outstanding Dues, in Cases Wherein First Appeal Has Been Disposed Of, Till Appellate Tribunal Comes into Operation.

■ Synopsis:

—Taxpayers who intend to file an appeal should make the pre-deposit as required under Section 112(8) of the CGST Act.

—Taxpayers must file an undertaking/declaration with the jurisdictional proper officer that they will file an appeal before the Appellate Tribunal once it is operational.

—Upon payment of the pre-deposit and submission of the undertaking, recovery of the remaining confirmed demand will be stayed as per Section 112(9) of the CGST Act.

Circular No. 224/18/2024-GST continues...

■ Synopsis:

- If the taxpayer does not comply, recovery proceedings can be initiated.
- Taxpayers who have paid amounts intended for demand through FORM GST DRC-03 can file an application in FORM GST DRC-03A once the functionality is available on the common portal.
- Until then, taxpayers should inform the proper officer to avoid recovery proceedings.
- If proceedings have already been concluded with an order in FORM GST DRC-05, adjustments through FORM GST DRC-03A are not possible.

Circular No. 225/19/2024-GST

▪ Subject:

—Clarification on Various Issues Pertaining to Taxability and Valuation of Supply of Services of Providing Corporate Guarantee Between Related Persons.

▪ Synopsis:

- Sub-rule (2) of Rule 28 of CGST Rules applies to corporate guarantees issued before and after 26th October 2023.
- For guarantees issued before this date, valuation follows the existing rules. For guarantees issued or renewed on or after this date, the new valuation rules apply.
- The value of the service of providing a corporate guarantee is based on the guaranteed amount, not on the actual loan disbursed.
- The recipient can claim full Input Tax Credit (ITC) subject to other conditions, regardless of when the loan is disbursed.

Circular No. 225/19/2024-GST continues...

■ Synopsis:

- GST is not applicable on the takeover of existing loans unless a fresh corporate guarantee is issued, or the existing guarantee is renewed.
- When multiple entities provide a corporate guarantee, the value of the service is the higher of the actual consideration or 1% of the guaranteed amount.
- Each co-guarantor pays GST proportionately based on their share of the guarantee.
- Domestic corporate guarantees are taxed under the forward charge mechanism, while foreign guarantees are taxed under the reverse charge mechanism.

Circular No. 225/19/2024-GST continues...

■ Synopsis:

- GST on corporate guarantees is payable annually, based on 1% of the guaranteed amount or the actual consideration, whichever is higher.
- For guarantees issued for less than a year, the valuation is proportionate.
- The provisions of Rule 28(2) do not apply to the export of services of providing corporate guarantees between related persons.

Circular No. 226/20/2024-GST

■ Subject:

—Mechanism for Refund of Additional Integrated Tax (IGST) Paid on Account of Upward Revision in Price of Goods Subsequent to Exports.

■ Synopsis:

—Exporters can file refund claims 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.”

Circular No. 226/20/2024-GST continues...

■ Required Documents:

- Shipping bills or bills of export.
- Original invoices and revised invoices or debit notes.
- Contracts or documents indicating the need for price revision.
- Proof of additional IGST payment and relevant GSTR-1 and GSTR-3B forms.
- Proof of receipt of additional foreign exchange.
- Statements 9A & 9B of FORM GST RFD-01.

Circular No. 226/20/2024-GST continues...

- **Minimum Refund Amount:**
 - No refund will be issued for claims less than one thousand rupees.
- **Time Limit:**
 - Refund applications must be filed within two years from the relevant date.
- **Processing of Refund:**
 - The proper officer will verify the documentation and the validated details of shipping bills and IGST amounts before processing the refund.
- **Downward Price Revision:**
 - In cases of downward price revision, exporters must deposit the excess refund amount along with applicable interest.

Circular No. 227/21/2024-GST

- Subject:
 - Processing of Refund Applications Filed by Canteen Stores Department (CSD).
- Synopsis:
 - CSD can now file refund applications electronically in FORM GST RFD-10A on the common portal.
 - CSD must apply for refunds once every quarter but can club multiple quarters and financial years.

Circular No. 227/21/2024-GST continues...

- Required Documentation:
 - Invoices of inward supplies received for subsequent supply.
 - An undertaking stating that the goods were received for subsequent supply.
 - A declaration that no refund has been claimed earlier for the same invoices.
- Validation and Processing:
 - The proper officer will validate GSTIN details and ensure all returns (GSTR-1 and GSTR-3B) are filed.
 - The refund amount is limited to 50% of the tax paid on supplies received by CSD.
- Manual Processing:
 - Applications filed manually before the availability of the electronic functionality will continue to be processed manually as per Circular No. 60/34/2018-GST.

Thank u

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