

Following are the amendments which have been notified by the Government on 28<sup>th</sup> June 2019:

**Treatment of secondary or post sales discount**

- **Discount without any obligation:** If discount is provided by a supplier without any further obligation or action required at the dealer's end, then the post sales discount given by the said supplier will be related to the original supply of goods. It would not be included in the value of supply, in the hands of supplier of goods, subject to the fulfilment of conditions of valuation regarding discount.
- **Discount for promotional activities:** If the additional discount given by the supplier of goods to the dealer is the post-sale incentive requiring the dealer to do some act like undertaking special sales drive, advertisement campaign, exhibition etc., then such transaction would be a separate transaction. The additional discount will be the consideration for undertaking such activity and therefore would be in relation to supply of service by dealer to the supplier of goods. The dealer, being supplier of services, would be required to charge applicable GST on the value of such additional discount and the supplier of goods, being recipient of services, will be eligible to claim input tax credit (hereinafter referred to as the "ITC") of the GST so charged by the dealer.
- **Discount by supplier to dealer for reduced price to customer:** If the additional discount is given by the supplier of goods to the dealer to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by dealer to the customer. This additional discount as consideration, payable by any person (supplier of goods in this case) would be liable to be added to the consideration payable by the customer, for the purpose of arriving value of supply, in the hands of the dealer. However, the customer will be eligible for ITC only to the extent of tax paid by the customer to the dealer. For the tax charged by the dealer from the supplier, the supplier is liable to claim the ITC and no tax credit will be allowed to the customer.
- **ITC for recipient on receipt of financial credit note without GST:** It is clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods as long as the dealer pays the value of the supply as reduced after adjusting the amount of post-sale discount in terms of financial / commercial credit notes received by him from the supplier of goods plus the amount of original tax charged by the supplier.

**Transfer from one head under electronic cash ledger to the other**

- A person can transfer any amount paid under any head to the major head of CGST, SGST, IGST, UTGST or cess or minor head of tax, interest, penalty, fee or others through Form GST PMT-09. The transfer can be from the major head or the minor head as the case may be. This functionality will be made available at a future date.  
(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)

**GST Applicability on additional/penal interest**

- Levy of additional / penal interest does not fall within the ambit of entry 5(e) of Schedule II of the CGST Act i.e. “agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act”, as this levy of additional / penal interest satisfies the definition of “interest” as contained in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017.
- It is further clarified that any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.

(Circular no. 102/21/2019-GST dated 28<sup>th</sup> June 2019)

**Prescription of due dates**

Forms	Purpose	Period	Due date	Notification
GST ITC-04	Job Work	July 2017 - June 2019	31st Aug 2019	32/2019-CT dtd 28th June
GSTR 3B	All taxpayers	July 2019 - Sept 2019	20th of next month	29/2019-CT dtd 28th June
GSTR 1	Taxpayers with agg turnover > Rs. 1.5 crore	July 2019 - Sept 2019	11th of next month	28/2019-CT dtd 28th June
GSTR 1	Taxpayers with agg turnover < Rs. 1.5 crore	July 2019 - Sept 2019	31st Oct 2019	27/2019-CT dtd 28th June
GSTR 7	TDS deductors	Oct 2018 - July 2019	31st Aug 2019	26/2019-CT dtd 28th June

**QR code in invoices**

- In the invoice and bill of supply issued by the respective taxable persons, the government may under certain conditions by notification require the specification of Quick Response (QR) code on the relevant document.

(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)

**Processing of refund application by authority wrongly mapped on the GST portal**

- Currently the jurisdictional authority mapped online may not be the same person who has been administratively assigned a registered person. There is no option for reassignment at the moment
- If a person files an online application and the application goes to the authority mapped, then the said authority who has been electronically mapped has been instructed to process the refund.
- After the processing of the refund application is complete, the refund processing authority may inform the common portal about the incorrect mapping with a request to update it suitably on the common portal so that all subsequent refund applications are transferred to the correct jurisdictional tax authority.

*(Circular no. 104/23/2019-GST dated 28<sup>th</sup> June 2019)*

**Furnishing of bank account details after grant of registration**

- An option to provide bank account details later after the GST registration is granted is proposed to be allowed through the rules. Bank account details are to be updated within the earlier of the following two dates:
  - 45 days from the grant of registration
  - Due date of filing GSTR 3B return
- The above provision will not be applicable to people registered under TDS or where the department had provided suo moto registration
- If the said bank accounts are not provided within the relevant time limit, the registration may be susceptible to cancellation.

*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

**Restriction of e-waybill extended to taxpayers under new composition scheme**

- New composition scheme which is mostly applicable to service providers are also restricted from generation of e-waybill if they fail to submit their statement in Form GST CMP-08 for two consecutive quarters

*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

**Refund of taxes to retail outlets established in departure area of international airport beyond immigration counters**

- Retail outlets established beyond the immigration counter in departure area of international airport which supply domestic goods to outgoing international tourist will now be eligible to claim refund of their inward supply of such domestic goods.

- Application in prescribed format with the purchase invoices are to be submitted with the refund application.
- This refund is only for goods received from registered persons and not on services. It will be allowed only when the goods are supplied to the international tourist.
- Outgoing international tourist means a person not normally resident in India who enters India for a stay of not more than six months for non-immigrant purposes. Keeping this record may be a tedious task for the retail outlets.  
*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

#### **TDS and TCS provision rationalization**

- Payments made by the deductor in respect of TDS reflects in the electronic cash ledger after validation by the deductee. It does not reflect in the Form GSTR 2A and GSTR 4A as the case may be of the deductee. The provisions have been rationalized accordingly.  
*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*
- Payments made by the electronic commerce operator in respect of TCS reflects in the electronic cash ledger after validation by the supplier. It does not reflect in the Form GSTR 2A and GSTR 4A as the case may be of the supplier. The provisions have been rationalized accordingly.  
*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

#### **Valuation of supply in cases of Kerala Flood Cess**

- Taxable value base on which such cess is to be levied will be the same on which GST is normally levied i.e. under Section 15. Such cess will not be included in the taxable value for the purpose of calculation.  
*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

#### **Anti profiteering rules modifications**

- There have been modifications in the anti profiteering procedures in respect of reporting, time limits and process of investigation.
- Further the time limit of the Anti profiteering authority has been increased by a further period of 2 years.  
*(Notification no. 31/2019-CT dated 28<sup>th</sup> June 2019)*

**Exemption from annual return and audit for suppliers of OIDAR Services**

- Person registered under the category of supplier of OIDAR services from a place outside India to unregistered persons in India have been exempted from furnishing Form GSTR 9 and 9C.

*(Notification no. 30/2019-CT dated 28<sup>th</sup> June 2019)*

**Determination of place of supply in certain cases**

- Various services are being provided by the port authorities to its clients in relation to cargo handling. Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.

It is hereby clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property. It is hereby clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property.

- In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India are not put to any use in India, the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the IGST Act.

*(Circular no. 103/22/2019-GST dated 28<sup>th</sup> June 2019)*

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