

## **CA Final Indirect Taxes Amendments for May 2021 Exam (Paper 8)**

**(Covering changes from 1.5.2020 to 31.10.2020)**

### **Goods and Service Tax – An Introduction**

#### **Section 172 of CGST Act / 25 of IGST Act**

If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations, as may be necessary or expedient for removing the said difficulty within 5 years from commencement of this Act i.e. **within 5 years** from 1.7.2017 (**w.e.f. 30.6.2020**)

#### **Section 2(114) of CGST Act: Union territory**

It means the territory of

- a) the Andaman and Nicobar Islands
- b) Lakshadweep
- c) Dadra and Nagar Haveli and **Daman and Diu** (**w.e.f. 26.1.2020**)-
- d) Daman and Diu**
- e) Chandigarh
- f) Ladakh (**w.e.f. 30.6.2020**)
- g) other territory.

Each of the territories specified in sub-clauses (a) to (f) shall be considered to be a separate Union territory.  
**(It will include UT of Ladakh)**

#### **Place of Supply**

Satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited shall be exempt (**w.e.f. 16.10.2020**)

Exemption would apply even if the service is provided to Domestic or International Customers. Circular no. 2/1/2017 would not be irrelevant.

#### **Registration under GST**

#### **Section 25 of CGST Act (changes only)**

Where an applicant, other than a person notified u/s 25(6D), **opts for authentication of Aadhaar number**, he shall, while submitting the application, w.e.f. 21st August, 2020, 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 whichever is earlier. (**w.e.f. 1.4.2020**)

The application shall be forwarded to the proper officer. The officer shall examine the application and the accompanying documents. He may issue a notice to the applicant in **Form GST REG-03** within **3 working days**.

If no reply is furnished by the applicant within 7 working days or Officer is not satisfied with the clarification, information etc., he **may**, for reasons to be recorded in writing, reject such application and inform the applicant electronically in Form GST REG-05 (**the word 'shall' replaced by 'may' w.e.f. 21.8.2020; it implies that it is not obligatory to reject the application**)

**W.e.f. 21.8.2020**

- Where a person, other than a person notified u/s 25(6D), fails to undergo authentication of Aadhaar number or does not opt for authentication of Aadhaar number, then the registration shall be granted only after physical verification of the principal place of business in the presence of the said person, ~~not later than 60 days from the date of application~~, in the manner provided under rule 25.
- The proper officer may, for reasons to be recorded in writing and with the approval of an officer not below the rank of Joint Commissioner, in lieu of the physical verification of the place of business, carry out the verification of such documents as he may deem fit.
- If such person fails to undergo authentication of Aadhaar number or does not opt for authentication of Aadhaar number, the notice in FORM GST REG-03 may be issued not later than 21 days from the date of submission of the application.

**Deemed Approval of Application (Highlighted points added w.e.f. 21.8.2020)**

Registration shall be deemed to be granted if the proper officer fails to take any action

within 3 working days from the date of submission of the application <b>if he successfully undergoes authentication of Aadhaar number or is notified u/s 25(6D)</b>	within 7 working days from the date of the receipt of	<b>within 21 days fails to undergo authentication of Aadhaar number if he is not notified</b>	<b>within 21 days from the date of submission of the application in cases if he does not opt for authentication of Aadhaar</b>
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**Rule 25**

Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required due to

(a) failure of Aadhaar authentication or **due to not opting for Aadhaar authentication** before the grant of registration or **highlighted points added w.e.f. 21.8.2020**

(b) any other reason after the grant of registration,

he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in **Form GST REG-30** on the common portal within **15 working days** following the date of such verification.

**Books for CA Final May / Nov 2021 Exam by CA Kedar Junnarkar**

Subject	Book	Contents	Physical Book	Encrypted E-book
CA Final DT / International Taxation	Simplified Book	Covers entire portion of CA Final DT Paper 7 explained in a simplified manner. It also covers all Chapter of Elective Paper 6C – International Taxation other than Black Money Act and Case Studies	Rs. 550	Rs. 200
	Practice Book	Covers Numerical Problems and MCQs with Solutions	Rs. 550	Rs. 200
CA Final IDT	Simplified Book	Covers entire portion of CA Final IDT Paper 8 explained in a simplified manner.	Rs. 500	Rs. 200
	Practice Book	Covers Numerical Problems and MCQs with Solutions	Rs. 500	Rs. 200
International Taxation Elective	Black Money Act and Case Studies Book	Covers Black Money Act and 33 Case Studies with Solutions	Rs. 450	Rs. 200

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## Tax Invoice, Credit and Debit Notes

### **Rule 46 of CGST Rules: Contents of Tax Invoice**

Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under rule 48(4) i.e. E-Invoice

### **W.e.f. 15.10.2020**

The Board may, on the recommendations of the Council, by notification, specify

- a. the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or
- b. a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers
- c. the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services

### **HSN Code (w.e.f. 1.4.2021)**

No	Annual Turnover in the preceding Financial Year	Number of Digits of HSN Code
1	Up to Rs. 5 crore	4
2	more than Rs. 5 crores	6

**HSN Code not required:** A registered person having aggregate turnover up to Rs. 5 crores in the previous financial year may not mention the number of digits of HSN Code in a tax invoice issued by him in respect of supplies made to unregistered persons.

### **E-Invoice (Date of Implementation - 1.10.2020)**

- This provision shall apply to notified persons i.e. Registered Person except those specified below whose aggregate turnover **in any preceding financial year from 2017-18 onwards** exceeds **Rs. 500 crores** who shall prepare invoice and other prescribed documents in respect of supply of goods or services or both **to a registered person or for Exports**
- The invoice shall be prepared by including such particulars contained in **FORM GST INV-01** after obtaining an **Invoice Reference Number** by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.
- Invoice issued by such person in other than the specified manner shall not be treated as an invoice.
- Provisions relating to number of copies of Invoice shall not apply to such invoice.
- Exemption from such provision to following suppliers
  - a) Insurer or a Banking Company or a Financial Institution, including a Non-Banking Financial Company
  - b) Goods Transport Agency supplying services of transportation of goods by road in a Goods Carriage
  - c) Passenger Transportation Service
  - d) Supplier providing service of admission to exhibition of Cinematograph Films in Multiplex Screens
  - e) **Special Economic Zone unit**
- **Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of such invoice for a specified period, subject to such conditions and restrictions as may be specified in the said notification**

**Common Portal for preparation of E-Invoice (Portal managed by GSTN) (w.e.f. 1.1.2020)**

www.einvoice1.gst.gov.in, www.einvoice2.gst.gov.in, www.einvoice3.gst.gov.in, www.einvoice4.gst.gov.in,  
www.einvoice5.gst.gov.in, www.einvoice6.gst.gov.in, www.einvoice7.gst.gov.in,  
www.einvoice8.gst.gov.in, www.einvoice9.gst.gov.in, www.einvoice10.gst.gov.in

**Dynamic QR Code (Date of Implementation - 1.12.2020)**

- Invoice issued by a registered person, whose aggregate turnover in **any preceding financial year from 2017-18** onwards exceeds **Rs. 500 crores** to an unregistered person (B2C invoice) shall have Quick Response (QR) code.
- Where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.
- Exemption from such provision to following suppliers
  - a) Insurer or Banking Company or a Financial Institution, including a Non-Banking Financial Company
  - b) Goods Transport Agency supplying services of transportation of goods by road in a Goods Carriage
  - c) Passenger Transportation Service
  - d) Supplier providing service of admission to exhibition of Cinematograph Films in Multiplex Screens
  - e) Supplier of Online Information and Database Access or Retrieval Services to non-taxable online recipient

**CA Final Regular Video Lectures by CA Kedar Junnarkar for May / Nov 2021 Exam**

Videos	2 Views / 1 Year Validity		1.5 Views / 6 months Validity	
	Pendrive Price in Rs.	Google Drive Price in Rs.	Pendrive Price in Rs.	Google Drive Price in Rs.
CA Final DT / International Taxation Regular - Paper 7	12,000	11,000	10,500	9,500
CA Final IDT Regular - Paper 8	11,000	10,000	9,500	8,500
CA Final International Taxation – Paper 6C	5,500	5,000	4,500	4,000
CA Final DT / International Taxation - Paper 7 and 6C	14,000	13,000	12,500	11,500
CA Final DT and IDT Regular Combo (Paper 7 and 8)	22,000	20,000	19,500	17,500
CA Final DT / International Taxation and IDT Combo (Paper 7, 6C and 8)	24,000	22,000	21,000	19,000
CA Final DT / International Taxation and IDT Combo - Paper 8 and 6C	15,500	14,000	13,000	11,500

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## Payment of GST

### **Sect 49(10)/(11) and 53A of CGST Act / Section 17A of IGST Act: Transfer of amount (w.e.f. 1.1.2020)**

At Taxpayer Level	At Government Level
<ul style="list-style-type: none"> <li>On the common portal, a registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under CGST Act to the electronic cash ledger for integrated tax, central tax, State tax, Union territory tax or cess or vice versa in <b>Form GST PMT-09</b>. (Provisions relating to this Form vide Rule 87(13) are effective from <b>21.4.2020</b>)</li> <li>Such transfer shall be deemed to be a refund from the electronic cash ledger under CGST Act.</li> </ul>	<p>If any amount has been transferred from the electronic cash ledger under CGST Act / IGST Act to electronic cash ledger under SGST Act / UTGST Act, the Government shall, transfer to the State tax account or the Union territory tax account, an amount equal to the amount transferred from the electronic cash ledger.</p>

### **Section 50 of CGST Act: Interest on Delayed Payment of Tax**

#### **W.e.f. 1.9.2020**

The interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date as per section 39, except where such return is furnished after commencement of any proceedings u/s 73 or 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.

**Implication:** Interest shall be levied on net tax liability of the taxpayer, after taking into account the admissible input tax credit.

#### **Rule 67A: Manner of furnishing of return by short messaging service facility (w.e.f. 1.7.2020)**

- For a registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B or Nil details of outward supplies under section 37 in FORM GSTR-1 or FORM GST CMP-08 for a tax period, it can be furnished through a short messaging service (SMS) using the registered mobile number and the said return shall be verified by a registered mobile number based One Time Password facility.
- A Nil return or Nil details of outward supplies shall mean that which has nil or no entry in all the Tables in FORM GSTR-3B / GSTR-1 / FORM GST CMP-08

## E-way Bill

### **Rule 138A: Documents and devices to be carried by a person-in-charge of a conveyance (Highlighted points w.e.f. 30.9.2020)**

- The person in charge of a conveyance shall carry

a) the invoice or bill of supply or delivery challan	b) a copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a Radio Frequency Identification Device embedded on to the conveyance
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- Clause (b) shall not apply in case of movement of goods by rail or by air or vessel.
- ~~A registered person may obtain an Invoice Reference Number from the common portal by a tax invoice issued by him in FORM GST INV-1 and produce the same for verification by the proper~~

~~officer in lieu of the tax invoice and such number shall be valid for a period of 30 days from the date of uploading.~~

- In case E-invoice is issued in the manner prescribed under rule 48(4), the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.

### **Rule 138E: Restriction on furnishing of information in PART A of FORM GST EWB-01**

No person shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who

- a) being a person paying tax under section 10 or availing the benefit of notification No. 02/2019, has not furnished the statement in FORM GST CMP-08 for two consecutive quarters
- b) being a person other than a person specified in clause (a), has not furnished the returns for a consecutive period of two months
- c) **being a person other than a person specified in clause (a), has not furnished the statement of outward supplies for any two months or quarters (w.e.f. 11.1.2020)**

### **Exemptions and Reverse Charge under GST**

Exemption for Transportation of Goods by an aircraft or vessel from customs station of clearance in India to a place outside India **extended upto 30.9.2021**

### **Circular no. 140/10/2020: GST on Director's Remuneration**

To the independent directors or those directors who are not the employee of the said company	Remuneration paid by companies to the directors, who are also an employee of the said company	
		Director's remuneration which are declared as 'Salaries' in the books of a company and subjected to TDS under Section 192 of Income Tax Act
It is taxable in hands of the company, on reverse charge basis	It is not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III	It shall be treated as consideration for providing services which are outside the scope of Schedule III of the CGST Act, and is therefore, taxable. Company, is liable to discharge the applicable GST on it on reverse charge basis.

**Circular no. 137/07/2020: Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws (Only relevant provisions)**

Question	Answer
An advance is received by a supplier for a Service contract which subsequently got cancelled. The supplier has issued the invoice before supply of service and paid the GST thereon. Whether he can claim refund of tax paid or is he required to adjust his tax liability in returns ?	Supplier is required to issue a "credit note" as per section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim. However, if there is no output liability against which credit note can be adjusted, he may proceed to file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.
An advance is received by a supplier for a Service contract which got cancelled subsequently. The supplier has issued receipt voucher and paid the GST on such advance received. Whether he can claim refund of tax paid on advance or he is required to adjust his tax liability in his returns?	In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31 (2) of the CGST Act, he is required to issue a "refund voucher" in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules. The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category "Refund of excess payment of tax".
Goods supplied by a supplier under cover of a tax invoice are returned by the recipient. Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?	Supplier is required to issue a "credit note" in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim in such a case. However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.

**Circular No. 139/09/2020**

Refund of ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) will be available on the strength of missing invoices even if they are not reflected in FORM GSTR-2A.

## Foreign Trade Policy

FTP 2015-2020 has come into effect from April 1, 2015 for the period between 01.04.2015 and **31.03.2021**.

### **Import of Gifts (changed w.e.f. 12.12.2019)**

Import of gifts on payment of duty shall be permitted.

If Customs Clearance is sought as gift (even if purchased through e-commerce portals or post or courier), then such import shall be prohibited. Import of life saving drugs, medicines and rakhis are allowed (gifts related to Rakhi shall be prohibited)

### **Advance Authorization Scheme**

Inputs imported are exempt from basic customs duty, additional customs duty, social welfare surcharge, anti-dumping duty and safeguard duty, IGST and GST Compensation Cess upto **31.3.2021**

### **Export Promotion Capital Goods Scheme (EPCG)**

Capital Goods are also exempt from whole of Integrated Tax / Compensation Cess upto **31.3.2021**.

### **EOU, EHTP, STP & BTP Schemes**

- Imported goods are exempt from basic customs duty. Further, IGST and GST compensation cess is exempt upto **31.3.2021**.
- The imports and/ or procurement from bonded warehouse in DTA/International exhibition held in India shall be without payment of basic customs duty. Such imports and/ or procurements shall be made without payment of integrated tax and GST compensation cess upto **31.3.2021**.

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CA Final IDT Fast Track - Paper 8	7,000	6,000
CA Final DT / International Taxation Fast Track - Paper 7 & 6C	7,750	6,750
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