

TAX INFO

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Latest update on GST Law: **Summary of the recommendations in 47th GST Council Meeting held on 28th and 29th June, 2022 at Chandigarh (Part-II).**

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The GST Council has made the following recommendations relating to changes in GST Law in the 47th GST Council Meeting held on 28th and 29th June, 2022 at Chandigarh (Part-II).

1. In cases where suspension of registration was done by the system for continuous non-filing of GST returns, the provision for automatic revocation of suspension of registration to be made, once all the pending returns are filed on the portal by the taxpayer.
2. Proposal for comprehensive changes in FORM GSTR-3B to be placed in public domain for seeking inputs/suggestions of the stakeholders.
3. The Pandemic time period from 01.03.2020 to 28.02.2022 to be excluded from calculation of the limitation period for filing refund claim by an applicant under section 54 and 55 of CGST Act, as well as for issuance of order by the proper officer in respect of erroneous refunds under section 73 of CGST Act.
4. The limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, to be extended till September 30, 2023.
5. Suppliers making supplies through E-Commerce Operators (ECOs) were earlier liable for registration even if the turnover was a single rupee. Now, such suppliers making supplies through ECOs is required to take registration **only** when the aggregate turnover exceeds Rs. 40 lakhs and the person is not making any inter-State taxable supply. However, the ECO's are still liable for mandatory registration.
6. Composition taxpayers would be allowed to make intra-State supply through e-commerce operators subject to certain conditions with effect from 01.01.2023. The details of the scheme will be worked out by the Law Committee of the Council and proposed to be tentatively implemented with effect from 01.01.2023, subject to preparedness on the portal as well as by ECOs.
7. Amendment in formula is prescribed in Rule 89(5) of CGST Rules, 2017 for calculation of refund of unutilized Input Tax Credit on account of inverted rated structure. Now, taxpayers can avail ITC on input services also.
8. In some cases where the exporter was identified as risky exporter requiring verification by GST officers, or where there was a violation of provisions of Customs Act, the refund claims in respect of export of goods were suspended/withheld. Now, the amendment in rule 96 of the CGST Rules has been recommended to provide for transmission of such IGST refund claims on the portal in a system generated FORM GST RFD-01 to the jurisdictional GST authorities for processing. This would result in speedy disposal of such IGST refund claims of the risky exporters, after due verification by GST officers, thus benefitting such exporters.

9. Re-credit of amount in electronic credit ledger to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services, in contravention of rule 96(10) of the CGST Rules, is deposited by him along with interest and penalty. A new FORM GST PMT-03A is introduced for the same to enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.
10. Amendment in Section 49(10) of CGST Act to provide for transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of CGST and IGST of a distinct person, thereby improving liquidity and cash flows of such taxpayers.
11. The late fee under section 47 for delay in filing FORM GSTR-4 by a composition dealer for FY 2021-22 is to be waived till **28.07.2022**.
12. The due date of filing of FORM GST CMP-08 for the 1st quarter of FY 2022-23(April'2022-June'2022) is to be extended from 18.07.2022 to **31.07.2022**.
13. Taxpayers having AATO upto Rs. 2 crores are exempted from filing annual return in FORM GSTR-9/9A for FY 2021-22.
14. Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips by the exporters.
15. UPI & IMPS to be provided as an additional mode for payment of GST to taxpayers under Rule 87(3) of CGST Rules.
16. Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to DFS on such supplies.
17. GSTN has also been asked to resolve the issue of negative balance in Electronic Cash Ledger being faced by some of the composition taxpayers.
18. CGST Rules be amended to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would enable the exporters of electricity to claim refund of utilized ITC on zero rated supplies.
19. Refund of accumulated ITC on Coal and Edible Oils proposed to be not allowed.
20. Recommendations relating to GST rates on a bunch of goods and services have been given. To know the detailed items on which the proposed GST rate changes have been recommended, please refer the **Press Release of the 47th GST Council Meeting held on 28th and 29th June, 2022 at Chandigarh**. The rate changes recommended by the 47th GST Council will be made effective from **18th July, 2022**.

Suresh Aggarwal, Advocate

Compliance & Litigation under GST

Address: House No. 54, Pocket A-3, Sector-5, Rohini- 110085

Phone: 91-9810032846; 011 - 45131427

Email: sureshagg@gmail.com

Website: <http://www.sureshtaxation.com>