

TAX INFO

Dated 01.10.2022

Latest update on GST Law: **Summary of Notification No. 18/2022–Central Tax dated 28th September 2022.**

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The provisions of **sections 100 to 114 of Finance Act, 2022**, except section 110(c) i.e., Transfer of Cash ledger balances to distinct person and section 111 i.e., Interest related provision shall come into force **with effect from 1st October 2022**.

| S.No. | Section in Finance Act, 2022 | Section in CGST Act, 2017 | Effective Date | Explanation |
|-------|------------------------------|---------------------------|-------------------|--|
| 1. | Section 100 | Section 16(2) & 16(4) | 1st October, 2022 | <p>A new clause (ba) to section 16(2) of the CGST Act is inserted to provide that ITC with respect to a supply can be availed only if such credit has not been restricted in the details communicated to the taxpayer under newly amended section 38.</p> <p>Time limit for availment of input tax credit u/s 16(4) is extended upto 30th November of the following FY instead of due date of filing September Return i.e., 20th October.</p> |
| 2. | Section 101 | Section 29(2) | 1st October, 2022 | <p>The proper officer may cancel the registration of a person from such date, including any retrospective date where a registered person has not furnished returns for a continuous period of six months.</p> <p>In case of quarterly dealers, default of a continuous period of two tax periods will make him liable for cancellation of registration.</p> |
| 3. | Section 102 | Section 34(2) | 1st October, 2022 | <p>Time limit for issuance of credit note is extended upto 30th November of the following FY instead of due date of filing September Return i.e., 20th October.</p> |
| 4. | Section 103 | Section 37 | 1st October, 2022 | <p>Provision for tax period-wise sequential filing of details of outward supplies which means that the GSTR-1 of a period can be filed only if GSTR-1 of previous period is filed.</p> <p>Time limit for the rectification of errors in outward supplies i.e. GSTR-1 is extended upto 30th November of the following FY instead of due date of filing September Return i.e., 20th October.</p> |
| 5. | Section 104 | Section 38 | 1st October, 2022 | <p>ITC shall be available to the recipient by means of an auto-generated statement and two-way communication process in return filing is eliminated.</p> <p>ITC shall not be available if the supplier:</p> <ol style="list-style-type: none">1. Is a newly registered taxpayer2. Has defaulted in GST payment3. Has shown more supplies in GSTR-1 as compared to GSTR-3B4. Has valued more ITC in GSTR-3B as compared to ITC reflected in GSTR-2B5. Has not paid 1% of output tax in cash as per Rule 86B |
| 6. | Section 105 | Section 39 | 1st October, 2022 | <p>Restriction is imposed on furnishing details in GSTR 3B unless GSTR 1 for the same tax period has not been furnished by the taxpayer.</p> <p>Time limit for the rectification of errors in returns i.e., GSTR-</p> |

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| | | | | 3B is extended upto 30th November of the following FY instead of due date of filing September Return i.e., 20th October. |
| 7. | Section 106 | Section 41 | 1st October, 2022 | The concept of “claim” of eligible input tax credit on a “provisional” basis is eliminated. The availment of self-assessed input tax credit subject to such conditions and restrictions that are yet to be prescribed. |
| 8. | Section 107 | Section 42, 43, 43A | 1st October, 2022 | Sections 42, 43 and 43A of the CGST Act regarding the Matching, reversal and reclaim of ITC are omitted so as to do away with two-way communication process in return filing in the light of the fact that GSTR-1 and GSTR-3B are accepted as returns. |
| 9. | Section 108 | Section 47 | 1st October, 2022 | Levy of late fees for delayed filing of TCS return shall be Rs.100/- for everyday during which such failure continues subject to a maximum amount of five thousand rupees. |
| 10. | Section 109 | Section 48(2) | 1st October, 2022 | Consequent to the amendment in section 38 of the CGST Act, section 48(2) of the CGST Act is amended so as to remove reference to section 38 therefrom which means that a registered person cannot authorise an approved goods and services tax practitioner to furnish details of inward supplies under section 38. |
| 11. | Section 110 | Section 49 | 5 th July, 2022 (already in force) | Transfer of any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act by a registered person is allowed on the common portal to the electronic cash ledger for: (a)integrated tax, central tax, State tax, Union territory tax or cess; or (b)integrated tax or central tax of a distinct person under the Act. |
| 12. | Section 111 | Section 50(3) | 5 th July, 2022 (Already in force) | It is self-clarificatory that no interest can be levied merely where ITC has been availed but not utilized. Since the amendment is retrospective, taxpayers who have paid interest @24% are eligible for refund of the excess interest paid. Excess ITC availed and utilized – Interest @18% as well as penalty under section 73 or 74. Excess ITC availed but not utilized – No interest but penalty under section 73 or 74. |
| 13. | Section 112 | Section 52(6) | 1st October, 2022 | Amendment of GSTR-8 by e-commerce operators u/s 52(6) can be done upto 30th November of the following FY instead of due date of filing September Return i.e., 20th October. |
| 14. | Section 113 | Section 54 | 1st October, 2022 | Refund claim of any balance in the electronic cash ledger shall be made in such form and manner as may be prescribed. Time limit for claiming refund of tax paid on inward supplies of goods or services or both under section 55 {UNO / Embassies} as two years from the last day of the quarter in which the said supply was received. |

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