

Recent Amendments

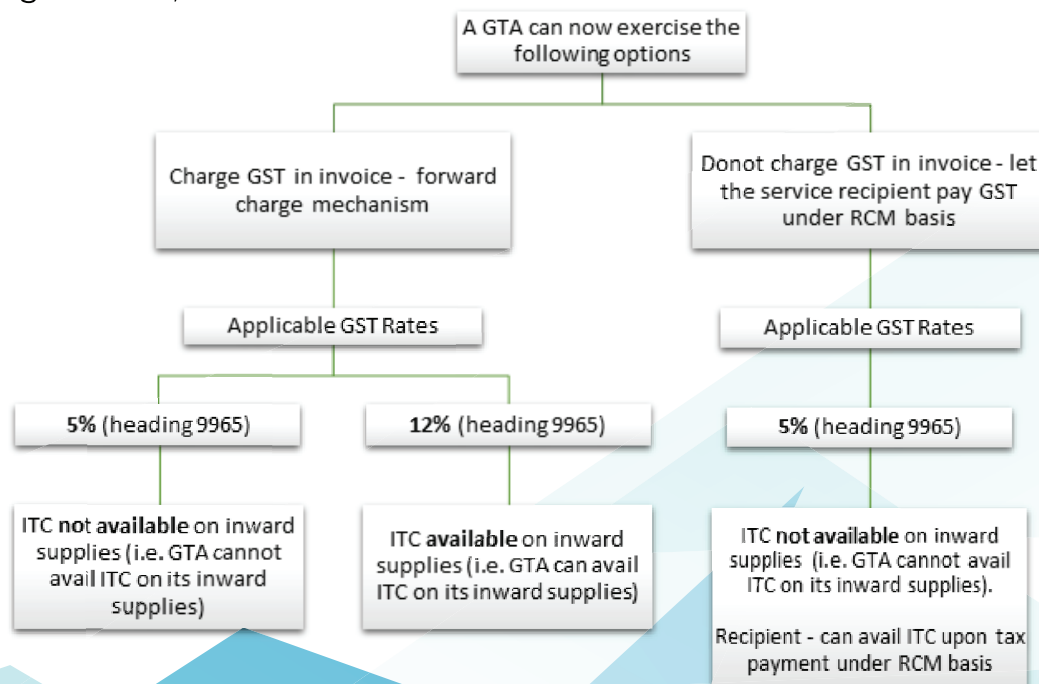
1. Amendment in the turnover limit for applicability of E- Invoicing under Rule 48(4) of CGST Rules, 2017

- With effect from **01.10.2022**, E-invoicing provisions is applicable to all registered persons having aggregate turnover exceeding **10 crores** during any of the FY from 2017-18 onwards.
- It has to be noted that E-invoicing was recently made applicable to all registered persons having turnover exceeding 20 crores with effect from 01.04.2022.
- With this notification, it is evident that the government wants to make E-invoicing provisions mandatory for small business too in order to plug the revenue leakage.
- We are of the opinion that the turnover limit will keep on decreasing in the coming months thereby bringing a vast majority of registered persons within the ambit of e-invoicing.

2. Amendments to the provisions relating to levy of GST on Goods Transport services relating to a Goods Transport Agency (GTA):

- The government recently amended various provisions relating to levy of GST on services provided by a Goods Transport Agency.

The new provisions will affect the taxability of the service provided by a GTA in the following manner,



To be noted:

A GTA wishing to charge GST in its invoice (i.e. opting for forward charge mechanism) should satisfy the below mentioned conditions,

- Should be a registered taxable person.
- Should submit a declaration in Annexure – V on or before **15th March of the preceding financial year**. (for FY 2022-2023, the declaration has to be submitted on or before **16th August 2022**.) (Annexure V – given below).
- The declaration should be submitted before the respective jurisdictional GST Authority. (As of date of issue of this newsletter, there has not been any clarification issued by CBIC regarding the mode of submission of this form).
- The GTA has to include in its tax invoice a declaration in Annexure III. (Annexure III – given below).

To put it in simpler terms,

These are the various taxability scenarios,

Scenario	Is the GTA charging GST in its invoice	Rate of GST charged by GTA in invoice	Conditions mentioned above satisfied by GTA (like submission of Annexure V and inclusion of Annexure III etc)	Liability of Service recipient	Can GTA avail ITC
1	Yes	5%	Yes	NIL	No
2	Yes	5%	No	5% RCM*	No
3	Yes	12%	Yes	NIL	Yes
4	Yes	12%	No	5% RCM*	No
5	No	NA	Yes/No	5% RCM	No

**in these cases, the service recipient need not pay the GST amount, if any mentioned in the tax invoice issued by the GTA since he has not complied with the conditions for charging GST under forward charge mechanism. The service recipient is required to pay only the amount excluding GST and remit the GST at 5% on RCM basis to the government directly.*

- Goods transport agencies can make use of the above mentioned options with effect from **18th July 2022**.

If the GTA has started issuing invoices by opting to pay GST under forward charge mechanism from 18th July, it has to submit a declaration to Jurisdictional officer in Annexure V on before 16th August 2022.

Annexure III (that has to be included in the tax invoice issued by GTA)

Declaration

"I/we have taken registration under the CGST Act, 2017 and have exercised the option to pay tax on services of GTA in relation to transport of goods supplied by us during the Financial Year _____ under forward charge"

Annexure V (to be submitted to jurisdictional GST Authority for exercising option to charge GST under forward charge mechanism)

FORM

Form for exercising the option by a Goods Transport Agency (GTA) for payment of GST on the GTA services supplied by him under forward charge before the commencement of any financial year to be submitted before the jurisdictional GST Authority.

Reference No.-

Date: -

1. I/We _____ (name of Person), authorised representative of M/s..... have taken registration/have applied for registration and do hereby undertake to pay GST on the GTA services in relation to transportation of goods supplied by us during the financial year.....under forward charge in accordance with section 9(1) of the CGST Act, 2017 and to comply with all the provisions of the CGST Act, 2017 as they apply to a person liable for paying the tax in relation to supply of any goods or services or both;
2. I understand that this option once exercised shall not be allowed to be changed within a period of one year from the date of exercising the option and will remain valid till the end of the financial year for which it is exercised.

Legal Name: -

GSTIN: -

PAN No.

Signature of Authorised representative:

Name of Authorised Signatory:

Full Address of GTA:

(Dated acknowledgment of jurisdictional GST Authority)

3. Removal of exemption relating to transport of goods by a GTA

- The government **has removed** the following exemptions relating to services of transportation provided by a GTA by way of Notification no 4/2022 dated 13th July, 2022,
 - i. goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed Rs. 1500.
 - ii. goods, where consideration charged for transportation of all such goods for a single consignee does not exceed Rs. 750.
- By removing these exemptions, the above are rendered taxable with effect from **18th July 2022**.

4. Removal of exemption relating to Renting of Residential house to a registered person.

- Normally, a landlord **need not** charge any GST if he is renting his residential house for use as a residence. (this was because, this service was covered under an exemption notification no 12/2017 dated 28th June 2017 under serial number 12)
- By way of notification no 04/2022 dated 13th July 2022 the government has added the following lines to serial number 12 of the above mentioned exemption notification. The following lines have been added "*except where the residential dwelling is rented to a registered person*"
- This means that the service provided by the landlord by way of giving the property on rent to a registered person is taxable.
- **Now, the question of who should pay the GST arises**, for that the government by way of notification no 05/2022 has stated that such service will be covered under the reverse charge mechanism.
- Therefore, GST at the rate of 18% has to be paid by the service recipient (i.e. the registered person) on RCM basis with effect from **18th July 2022**.

5. Verification of Income Tax Return.

- Normally, an income tax return (ITR) has to be e-verified within 120 days of submission.
- The available methods of e-verifying an ITR are
 - i. OTP on mobile number registered with Aadhaar
 - ii. EVC generated through your pre-validated bank account, or
 - iii. EVC generated through your pre-validated demat account, or
 - iv. EVC through ATM (offline method), or
 - v. Net Banking, or
 - vi. Digital Signature Certificate (DSC).
- CBDT by way of notification no 05/2022 dated 29.07.2022 has reduced the time limit for e-verification to **30 days** from 120 days.
- This notification shall be applicable with effect from **01.08.2022**. This implies that all returns that are filed on or after 1st August, 2022 has to be e-verified within 30 days from the date of online submission.

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