

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

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No.EPC/SEZ/AM-18
July 23, 2018

EPCES CIRCULAR NO. 304

This is with reference to the recent 28th GST council meeting on 21 July 2018. In this regard, please find below key recommendations made in the said meeting:

Legislative amendments:

- Upper limit of turnover for opting composition scheme raised from Rs. 1 crore to Rs. 1.5 crore
- Composition dealers to be allowed to supply services other than restaurant services, for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakhs, whichever is higher
- GST on reverse charge mechanism on receipt of supplies from unregistered suppliers shall be applicable to only specified goods by notified classes of registered persons
- Registration threshold limit for the States of Assam, Arunachal Pradesh, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand to be increased to Rs. 20 Lakhs from existing Rs. 10 Lakhs
- Multiple registrations within a State/Union territory in respect of multiple places of business located within the same State/Union territory allowed
- Mandatory registration for only those e-commerce operators who are required to collect tax at source
- During the pendency of application for cancellation of registration, the registration to remain temporarily suspended to relieve taxpayers from compliance burden
- The following transactions to be inserted under Schedule III i.e. no supply transactions:
 - Supply of goods from a place in the non-taxable territory to another place in the nontaxable territory without such goods entering into India
 - Supply of warehoused goods to any person before clearance for home consumption
 - Supply of goods in case of high sea sales
- Input tax credit allowed for the following:
 - Most of the activities or transactions specified in Schedule III
 - Motor vehicles for transportation of persons having seating capacity of more than thirteen (including driver), vessels and aircraft
 - Motor vehicles for transportation of money for or by a banking company or financial institution
 - Services of general insurance, repair and maintenance in respect of motor vehicles, vessels and aircraft on which credit is available
 - Goods or services which are obligatory for an employer to provide to its employees, under any law for the time being in force

- No interest implication for recipient's failure to pay the due amount to the supplier within 180 days resulting in reversal of credit availed
- Consolidated credit/debit notes allowed in respect of multiple invoices issued in a FY
- Capping of pre-deposit for filing of appeal before the Appellate Authority and the Appellate Tribunal at Rs. 25 Crores and Rs. 50 Crores resp.
- Commissioner empowered to extend the time limit for return of inputs and capital sent on job work upto a period of one year and two years resp.
- In case of exports, condition for receipt of payment in foreign convertible relaxed and payment received in Indian Rupees (where permitted by the RBI) allowed
- Place of supply in case of job work of any treatment or process done on goods temporarily imported into India and then exported without putting them to any other use in India to be outside India.
- Recovery can be made from distinct persons, even if present in different State/Union territories
- The order of cross-utilisation of input tax credit is being rationalized

Simplification of returns:

- All taxpayers excluding small taxpayers and a few exceptions like ISD etc. shall be required to file monthly return
- Small taxpayers having turnover below 5 Cr have been offered an optional facility to file return on quarterly basis
- Quarterly return shall be similar to main return with monthly payment facility but for two kinds of registered persons – small traders making only B2C (Sahaj) supply or making B2B + B2C (Sugam) supply
- Opening of migration window for tax payers till 31 August 2018

A copy of the relevant press releases is attached herewith for your reference.

This is for kind information of the members.
