



ANALYSIS OF DRAFT CREDIT TRANSFER DOCUMENT RULES

Rule No.	Rule title	Provision	Analysis
Draft Rule for issue of Credit Transfer Document to be inserted in the CENVAT Credit Rules, 2004 for transfer of cenvat credit paid on specified goods available with a trader as on appointed date.			
A(1)		A.(1) A manufacturer who was registered under Central Excise Act, 1944 (hereafter referred as manufacturer in this rule) may issue a document called Credit Transfer Document to evidence payment of duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985, paid on goods manufactured and cleared by him before the date on which CGST Act, 2017 comes into force, under the cover of an invoice issued to a person who was not registered under the Central Excise Act, 1944 but is registered under the provisions of CGST Act, 2017 (hereafter referred to as dealer in this rule), subject to following limitations, conditions and procedures to be followed -	<ul style="list-style-type: none"> > Manufacturer to issue Cenvat Transfer Document (CTD) to person registered under GST but not registered under Central Excise > The said document will be evidence w.r.t. payment of excise duty by the manufacturer on goods manufactured and cleared before appointed day > Conditions and procedures to be followed are prescribed
		(i) The value of such goods in higher than rupees twenty five thousand per piece, bears the brand name of the manufacturer or the principal manufacturer and are identifiable as a distinct number such as chassis / engine no. of a car.	Product should bear brand name of manufacturer / principal manufacturer and have distinct identification wherever the goods are of a value of Rs.25000/- or higher
		(ii) Verifiable records of clearance and duty payment relatable to each piece of such goods is maintained by the manufacturer and are made available for verification on demand by a Central Excise officer.	Manufacturer should have details of clearance, duty payment which can be made available for verification on demand



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		(iii) The Credit Transfer Document shall be serially numbered and shall contain the Central Excise registration number, address of the concerned Central Excise Division, name, address and GSTIN number of the person to whom it is issued, description, classification, invoice number with date of removal, mode of transport and vehicle registration number, rate of duty, quantity, value and duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 paid thereon.	CTD should be serially number and contain: > Central Excise registration number > Address of the concerned Central Excise Division > Name, address and GSTIN number of the person to whom it is issued > Description > Classification > Invoice number with date of removal > Mode of transport and vehicle registration number > Rate of duty > Quantity > Value > Excise duty
		(iv) The manufacturer is satisfied that the dealer to whom Credit Transfer Document is issued is in possession of such manufactured goods in the form in which it was cleared by him.	Dealer should be in possession of manufactured goods in the form in which they were cleared by manufacturer
		(v) Credit Transfer Document shall be issued within 30 days of the appointed date on which CGST Act, 2017 comes into force and copy of the corresponding invoices shall be enclosed with the Credit Transfer Document.	> CTD should be issued within 30 days of appointed day > Corresponding invoices should be attached to CTD
		(vi) Copies of all invoices relating to buying and selling from manufacturer to the dealer, through intermediate dealers, is maintained by the dealer availing credit using CTDs.	The dealer availing credit should maintain copies of invoices related to buying and selling through intermediate dealers
		(vii) CTD shall not be issued in favour of a dealer to whom invoice was issued for the same goods before the appointed date.	CTD is not to be issued in case where invoice has been issued for the said goods before appointed day



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		(viii) A dealer availing credit using Credit Transfer Document on manufactured goods shall not be eligible to avail credit under provision of rule 1(4) of Transition Rules made under CGST Act, 2017 on identical goods manufactured by the same manufacturer available in the stock of the dealer.	No credit as per prescribed percentage of 60% or 40% of Transition Rules will be available on identical goods manufactured by the same manufacturer available in the stock of the dealer if credit is being availed on basis of CTD
		(ix) The dealer availing credit on the basis of Credit Transfer Document shall , at the time of making supply of such goods, mention the corresponding Credit Transfer Document number in the invoice issued by him under section 31 of the CGST Act, 2017.	CTD number to be mentioned by the dealer on invoice issued at time of supply
(2)		(2) Where a manufacturer issues a Credit Transfer Document such that credit of central tax is availed twice on the same goods under the provisions of CGST Act, 2017 and the rules made thereunder, he shall be jointly and severally responsible for excess credit availed by the dealer and provisions for recovery of credit, interest and penalty under the CENVAT Credit Rules, 2004 shall apply mutatis-mutandis on such manufacturer.	If credit is availed twice, then the manufacturer will be jointly and severally responsible for excess credit availed by daler and recovery along with interest and penalty under Cenvat Credit Rules, 2004 will be applicable
		(3) A manufacturer issuing a Credit Transfer Document shall submit details thereof in table 1 of TRANS 3 on common portal within sixty days of the appointed date.	Manufacturer issuing CTD have to furnish online details in TRANS 3 within 60 days of the appointed day
		(4) A dealer availing credit on Credit Transfer Document shall submit details thereof in table 2 of TRANS 3 on common portal within sixty days of the appointed date.	Dealer availing credit on basis of CTD have to furnish online details in TRANS 3 within 60 days of the appointed day



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		(5) Manufacturer issuing CTD shall maintain record in the form TRANS 3A and such record shall be made available to the Central Excise officer for verification on demand.	Records w.r.t. CTD have to be mentioned in Form TRANS 3A by the manufacturer
		(6) Dealers availing credit on CTDs shall maintain record in the form TRANS 3B and such record shall be made available to the Central Excise officer for verification on demand.	Records w.r.t. CTD have to be mentioned in Form TRANS 3B by the dealer
		[Note: Rule 9 of the CENVAT Credit Rules, 2004 shall be also amended to include Credit Transfer Document in the list of documents using which credit can be availed subject to the condition that such Credit Transfer Document is issued after the appointed date and within thirty days of the appointed date]	CTD will be the prescribed document for availing cenvat credit provided CTD is issued within 30 days of appointed day