



## ANALYSIS OF TRANSITION RULES

Rule	Rule title	Provision	Final Rule No.	Final Rule title	Final Provision	Analysis
1 (1)	Application in respect of tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day	(1) Every registered person entitled to take credit of input tax under section 140 shall, within sixty days of the appointed day, submit an application electronically in FORM GST TRAN-1, duly signed, on the Common Portal specifying therein, separately, the amount of tax or duty to the credit of which the said person is entitled under the provisions of the said section:	1(1)	Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day	(1) Every registered person entitled to take credit of input tax under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section: Provided that the Commissioner may, on the recommendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.	> A very welcome change to remove ambiguities. Application is changed to declaration and therefore submission by registered person in Form GST TRAN-1 is required > The time limit for submission of declaration electronically in Form GST TRAN-1 is enhanced to 90 days from appointed day as against previous 60 days. > Further power has been given to the Commissioner to extend the said period for further period of 90 days > Form GST TRAN-1 is notified
		Provided that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004: [this proviso only in CGST rules]			Provided further that where the inputs have been received from an Export Oriented Unit or a unit located in Electronic Hardware Technology Park, the credit shall be allowed to the extent as provided in sub-rule (7) of rule 3 of the CENVAT Credit Rules, 2004: [this proviso only in CGST rules]	No change
		Provided that in the case of a claim under sub-section (1) of section 140, the application shall specify separately— (i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant during the financial year relating to the relevant return, and (ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (i) above; (this proviso only in SGST rules)			Provided that in the case of a claim under sub-section (1) of section 140, the application shall specify separately— (i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant and (ii) the serial number and value of declarations in Forms C and/or F and Certificates in Forms E and/or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (i) above; (this proviso only in SGST rules)	No change
1 (2) (a)		Every application under sub-rule (1) shall:- (a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day- (i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and (ii) the amount of duty or tax yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;	1 (2) (a)		(2) Every declaration under sub-rule (1) shall:- (a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day- (i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day, and (ii) the amount of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;	Application replaced with declaration
1 (2) (b)		(b) in the case of a claim under sub-section (3), or the proviso thereto, or clause (b) of sub-section (4), sub-section (6), sub-section (8), sub-section (9) of Section 140 shall specify separately details of stock held on the appointed day;	1 (2) (b)		(b) in the case of a claim under sub-section (3) or the proviso thereto or clause (b) of sub-section (4) or sub-section (6) or sub-section (8) of section 140, specify separately the details of stock held on the appointed day;	No change
1 (2) (c)		(c) in the case of a claim under sub-section (5), shall furnish the following details— (i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law, (ii) the description, quantity and value of the goods or services (iii) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services, (iv) the date on which the receipt of goods or services is entered in the books of account of the recipient.	1 (2) (c)		(c) in the case of a claim under sub-section (5) of section 140, furnish the following details— (i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law, (ii) the description and value of the goods or services, (iii) the quantity in case of goods and the unit or unit quantity code thereof, (iv) the amount of eligible taxes and duties or, as the case may be, the value added tax [or entry tax] charged by the supplier in respect of the goods or services, and (v) the date on which the receipt of goods or services is entered in the books of account of the recipient.	> Unit or unit quantity code thereof (in addition to the quantity) is also required to be declared for goods in transit received on or after appointed date, duty / taxes in respect of which has been paid prior to appointed day. > Correction done to remove the requirement w.r.t. quantity of services



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1 (3) (a)	CGST Rules	<p>(3) (a) (i) A registered person, who was not registered under the existing law, availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.</p> <p>(ii) Such credit shall be allowed at the rate of [forty per cent.] of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid.</p> <p>(iii) The scheme shall be available for six tax periods from the appointed date.</p>	1 (4) (a)	(In CGST Rules)	<p>(4) (a) (i) A registered person who was not registered under the existing law shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit on goods (on which the duty of central excise or, as the case may be, additional duties of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975, is leviable) held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of central excise duty.</p> <p>(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract central tax at the rate of nine per cent. or more and forty per cent. for other goods of the central tax applicable on supply of such goods after the appointed date and shall be credited after the central tax payable on such supply has been paid:</p> <p>Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax</p> <p>(iii) The scheme shall be available for six tax periods from the appointed date.</p>	<p>&gt; Clarity is inserted that credit will be allowed w.r.t. duties of Central Excise and also SAD and CVD levied under Customs for registered persons who were not registered under existing law</p> <p>&gt; 60% credit for goods attracting 9% or more CGST and 40% credit for other goods will be allowed w.r.t. goods supplied on or after appointed date</p> <p>&gt; If Integrated Tax is paid on goods then 30% credit for goods attracting 9% or more CGST and 20% credit for other goods will be allowed w.r.t. goods supplied on or after appointed date</p>
		<p>(b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely,-</p> <p>(i) Such goods were not wholly exempt from duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated.</p> <p>(ii) Document for procurement of such goods is available with the registered person.</p> <p>(iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN-- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.</p> <p>(iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.</p> <p>(v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.</p>	1 (4) (b)		<p>(b) Such credit of central tax shall be availed subject to satisfying the following conditions, namely,-</p> <p>(i) such goods were not unconditionally exempt from the whole of the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 or were not nil rated in the said Schedule.</p> <p>(ii) the document for procurement of such goods is available with the registered person.</p> <p>(iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN 2 at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period.</p> <p>(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.</p> <p>(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.</p> <p>(In CGST Rules)</p>	Form GST TRAN 2 is prescribed for furnishing the details of supplies out of the stock declared at end of each of the 6 tax periods
1 (3) (a)	SGST Rules	<p>(3) (a) (i) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.</p> <p>(ii) Such credit shall be allowed at the rate of [forty per cent.] of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid.</p> <p>(iii) The scheme shall be available for six tax periods from the appointed date.</p>	1 (4) (a)	(In SGST Rules of States offering tax on MRP scheme)	<p>(4) (a) (i) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.</p> <p>(ii) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract State tax at the rate of nine per cent. or more and forty per cent. for other goods of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid:</p> <p>Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent. and twenty per cent. respectively of the said tax.</p> <p>(iii) The scheme shall be available for six tax periods from the appointed date.</p>	<p>&gt; 60% credit for goods attracting 9% or more SGST and 40% credit for other goods will be allowed w.r.t. goods supplied on or after appointed date</p> <p>&gt; If Integrated Tax is paid on goods then 30% credit for goods attracting 9% or more SGST and 20% credit for other goods will be allowed w.r.t. goods supplied on or after appointed date</p>



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1 (3) (b)		(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely,- (i) Such goods were not wholly exempt from tax under the <Name of the State> Value Added Tax Act,..... (ii) Document for procurement of such goods is available with the registered person. (iii) Registered person availing this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN-- at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period. (iv) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal. (v) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.	1 (4) (b)		(b) Such credit of State tax shall be availed subject to satisfying the following conditions, namely,- (i) such goods were not wholly exempt from tax under the <Name of the State> Value Added Tax Act,..... (ii) the document for procurement of such goods is available with the registered person. (iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN 2 at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period. (iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal. (v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.	> Form GST TRAN 2 is prescribed for furnishing the details of supplies out of the stock declared at end of each of the 6 tax periods  > Form GST TRAN 2 is notified
1 (4)		(4) The amount of credit specified in the application in FORM GST TRAN 1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.	1 (3)		(3) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.	No change
			2	Declaration to be made under clause (c) of sub-section (11) of section 142	Every person to whom the provision of clause (c) of sub-section (11) of section 142 applies, shall within a period of ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1 furnishing the proportion of supply on which VAT or service tax has been paid before the appointed day but the supply is made after the appointed day, and the ITC admissible thereon. [Individual States may insert a proviso giving the details of methodology of calculation of the VAT paid which would be available as ITC of State Tax]	> Wherever the supplies attract both VAT and service tax under existing regime and on which tax is leviable under GST, declaration is to be made in Form GST TRAN-1 within 90 days of the appointed day furnishing the details of supply on which VAT or service tax has been paid before the appointed day but the supply is made after the appointed day, and the ITC admissible thereon. > Individual states will insert the detailed methodology for calculation of VAT paid which would be eligible as Input Tax Credit
2	Declaration of stock held by a principal	Every person to whom the provisions of section 141 apply shall, within sixty days of the appointed day, submit an application electronically in FORM GST TRAN-1, specifying therein, the stock or, as the case may be, capital goods held by him on the appointed day details of stock or, as the case may be, capital goods held by him as a principal at the place/places of business of his agents/branch, separately agent-wise/branch-wise.	3	Declaration of stock held by a principal and agent	Every person to whom the provisions of section 141 or <b>sub-section (14) of section 142</b> apply shall, within ninety days of the appointed day, submit a declaration electronically in FORM GST TRAN-1, specifying therein, the stock of the inputs, semi-finished goods or finished goods, as applicable, held by him on the appointed day.	> Provision is extended to Section 142(14), but there is no such provision in CGST Act. > Time limit for submission of declaration is extended to 90 days as against earlier 60 days > Details of inputs, semi-finished goods or finished goods need to be declared > Details of capital goods are not required to be declared > Further specific provision for declaration agent-wise / branch-wise is removed. It would however be necessary for better control
3	Details of goods sent on approval basis	Every person having sent goods on approval under the earlier law and to whom sub-section (12) of section 142 applies shall, within sixty days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.	4	Details of goods sent on approval basis	Every person having sent goods on approval under the existing law and to whom sub-section (12) of section 142 applies shall, within ninety days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.	> Time limit for submission of declaration w.r.t. goods sent on approval basis is extended to 90 days as against earlier 60 days
4	Recovery of credit wrongly availed	The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.	5	Recovery of credit wrongly availed	The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.	No change