


GST AMENDMENTS IN FINANCE BILL - 2020

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Changes to Union Territory Definition

The definition of Union Territory has been changed

a) Merged

Daman and Diu has been merged with Dadra and Nagar Haveli

b) New

Based on the abrogation of the Article new Union Territory has been formed

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Amendments to Composition Scheme

Services are also allowed in Composition Scheme from 1st July 2020 and following changes are made in Section 2(2) clauses b,c & d

- supply of services not liable for GST
- interstate supply of services
- supply of services through e-commerce operator

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Amendments to Input Tax Credit

Debit Note is de linked from Invoice

- The date of issue of debit note is no more linked to the original invoice
- Input tax credit can be availed before filing of GSTR – 3B or before filing of Annual Return, the date of debit not will be considered

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Cancellation of Registration

➤ Cancellation of Registration

- Voluntary registration taken by a persons can be cancelled by the person or by the proper officer if is not longer required to be registered under Section 22 or Section 24

➤ Revocation of Cancellation of Registration

- Can be extended by Additional / Joint Commissioner by 30 days
- Further extended by Commissioner by 30 days

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Tax Deducted at Source

➤ TDS Certificate

- TDS certificate is to be issued in the prescribed format
- The provisions of the late fee levied for delay in issue of TDS certificate is being omitted.

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Appellate Tribunal

➤ Appellate State Bench

Appellate bench for the Union Territory of Jammu & Kashmir

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Penalty

➤ Levy of Penalty for wrong availing of input tax credit

New clauses added to Section 122

- (i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
- (ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;
- (vii) takes or utilises input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;

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➤ Levy of Penalty for wrong availing of input tax credit

New clauses added to Section 122

“(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”.

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Persons Responsible for wrong advisement of ITC

- (i) for the words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;
- (ii) for clause (c), the following clause shall be substituted, namely:—
“(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;”;
- (iii) in clause (e), the words “, fraudulently avails input tax credit” shall be omitted.

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Transitional Credit

- Multiple High Courts have allowed the taxpayers to avail input tax credit on closing stock even after the due date of filing of transition returns.
- Retrospective amendment is being made to disallow such credits

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Removal of Difficulties

- For removal of difficulties, the GST Council is authorized to take decisions and the time period has been extended from 3 years to 5 years .

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Schedule II

- Retrospective Amendment
- Entries at 4(a) & 4(b) in Schedule II of the CGST Act
- Dropped the words “whether or not for a consideration,”
 - (a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, ~~whether or not for a consideration~~, such transfer or disposal is a supply of goods by the person;
 - (b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, ~~whether or not for a consideration~~, the usage or making available of such goods is a supply of services;

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Refund of Compensation Cess

- Refund of compensation cess on tobacco products have been made with retrospective effect from 1st July 2017.
- Notification No.3/2019-Compensation Cess (Rate) dated 30th Sep 2019.

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IGST Act

- Removal of Difficulties – extension of time limit from 3 years to 5 years
- Retrospective amendments of rates

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UT GST Act

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Removal of Difficulties – extension of time limit from 3 years to 5 years

Retrospective amendments of rates

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**Thank
You!**