



# #10

10/18

DEBT EQUITY

**GST**

GOODS & SERVICES TAX

Audit

SBS

i

UPDATES COVERED:

1. GST UPDATES FOR THE MONTH OF OCTOBER 2018  
— BULLETIN I

**FEMA**

**INCOME  
TAX**



**SBS AND COMPANY LLP**  
CHARTERED ACCOUNTANTS

# GST UPDATES FOR THE MONTH OF OCTOBER 2018 - BULLETIN I

- Compiled by Indirect Tax Division

## CIRCULARS

### 1. NOTIFICATIONS ISSUED UNDER CGST ACT, 2017 REGARDING REFUND TO UIN ENTITIES ARE APPLICABLE TO GST (COMPENSATION TO STATES) ACT, 2017:

Section 55 of CGST Act, 2017 prescribes for refund of taxes paid by specified International Organizations, Foreign Diplomatic Missions or Consular Posts etc on notified supply of goods or services received by them subject to such conditions as may be prescribed. In this regard, Notification No. 16/2017--Central Tax (Rate) dated 28.06.2017 has been issued. A question was raised whether such entities can claim refund of the Compensation Cess paid on goods or services received by them. It was clarified that vide section 11 of Compensation Cess Act, 2017 that the provisions of CGST Act and SGST Act are applicable in relation to levy and collection of Compensation Cess. Therefore, the notifications issued under CGST Act except those prescribing rates or granting exemptions, are applicable for the purpose of the Compensation Cess Act. Accordingly, the said entities are eligible to claim refund of Compensation Cess also if any paid-on goods or services received by them.

**{CIRCULAR NO. 68/42/2018 – GST DATED 05.10.2018}**

### 2. GUIDELINES FOR DEDUCTION AND DEPOSIT OF TDS UNDER GST:

Every deductor who is required to deduct tax under Sec-51 of the CGST Act,2017 have to register on common portal as a 'Tax Deductor' and file form GSTR-7 monthly on or before 10th of the succeeding month. He has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc. He shall deposit the amount of tax either by way of separate challan for every payment to be made or for a consolidated amount of tax deduction on a weekly, monthly or any periodic manner and shall prepare a bill specifying the details like total amount, net amount payable to the supplier, 2% TDS amount of GST keeping under suspense head. He shall maintain a register in the prescribed format for the amount of tax deducted.

**{CIRCULAR NO. 65/39/2018-DOR DATED 14.09.2018}**

### **3. GST ON RESIDENTIAL PROGRAMMES OR CAMPS MEANT FOR ADVANCEMENT OF RELIGION, SPIRITUALITY OR YOGA BY RELIGIOUS AND CHARITABLE TRUSTS:**

According to notification no 12/2017 – Central Tax (Rate) dated 28th of June 2017, the charitable activities mentioned therein performed by an entity registered under Section 12AA of the Income Tax Act, 1961 are exempt. As per the given notification, fee if any collected from the participants to conduct programs relating to advancement of religion, spirituality or yoga are exempt. Sometimes the programs offered are residential and the fee collected would include charges for accommodation, food, drinks. It is clarified that the fee towards accommodation, food, drinks would also be exempt if the predominant activity of such residential programmes is advancement of religion, spirituality and yoga.

**{CIRCULAR NO. 66/40/2018-GST DATED 26.09.2018}**

## **NOTIFICATIONS**

### **4. REVERSE CHARGE MECHANISM UNDER SEC-9(4) IS POSTPONED**

Reverse charge applicability for goods or services procured from unregistered suppliers has been deferred by issuing various notifications from time to time till 30th September, 2018. Now this notification has been issued to defer its applicability till 30th September 2019.

**{NOTIFICATION NO. 22/2018- CENTRAL TAX (RATE) DATED 06.08.2018}**

The updates are - Compiled by Indirect Tax Division

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