

# GST Trail

## Key Highlights of GST Notifications and Clarification Circulars

August 2022



## Notifications

### Notification No. 17/2022 – Central Tax dated 1 August 2022

Effective from 1 October 2022, every registered person whose aggregate turnover in any previous FY (starting from FY 2017-18) exceeds INR 100 million (previously it was INR 200 million), then such registered person would be required to generate IRN/QR Code, i.e., issue e-invoice and have it printed on the tax invoices, debit/credit notes issued in respect of B2B supplies including zero-rated supplies.

Please check the link for details of these guidelines:

<https://bit.ly/3oLWXxe>

## Circulars

### Circular No. 177/09/2022-TRU dated 3 August 2022

The Central Board of Indirect Taxes and Customs (CBIC) has issued clarification regarding the applicable GST rates and exemptions on certain intractable services, such as:

- GST discharged on the supply of ice cream by ice-cream parlors at 5% without claiming Input Tax Credit (ITC) from 1 July 2017 to 5 October 2021 will be considered as GST paid in full. Furthermore, no refund will be allowed for GST if it's already paid at 18%.
- Tax should be discharged on a reverse charge basis where a body corporate avails the passenger transport service over pre-determined routes on pre-determined schedules for specific journeys and does not take the vehicle on rent for any particular period of time.

A detailed discussion on the above clarification can be referred to here: <https://bit.ly/3CtE4qX>

### Circular No. 178/10/2022-GST dated 3 August 2022

The contractual agreement of “*Agreeing to the obligation to refrain from an act or to tolerate an act or a situation, or to do an act*” can qualify as supply and is liable to tax if it meets the following conditions:

- There should be an independent contractual obligation.
- Consideration for the above must flow for an independent activity under a separate arrangement.
- An agreement in these cases cannot be imagined or presumed to exist just because there is a flow of money from one party to another unless there is an express promise.

The GST implications of the above clarification have been briefly explained here: <https://bit.ly/3CtE4qX>

### Circular No. 179/10/2022-GST dated 3 August 2022

The CBIC issued various clarifications regarding GST rates and classification (goods) based on the 47<sup>th</sup> GST Council meeting recommendations. Certain key GST rate changes are provided below:

- Electric vehicles (with or without battery) shall attract GST at 5%.
- Supply of treated sewage water is exempt under GST.
- Nicotine Polacrilex gum, commonly applied orally and intended to assist tobacco use cessation, shall attract GST at 18%.

Rates have been clarified for mango, fly ash bricks or aggregate, pulses/ dal and minor polished stones. Please check the detailed alert on the Circular here: <https://bit.ly/3CtE4qX>

## Instruction

### Instruction No. 02/2022-23 (GST-Investigation) Dated 17 August 2022

The CBIC has laid down the guidelines notifying the conditions prevailing for making an arrest. Furthermore, it has also notified that monthly reports of arrests made shall be prepared and compiled at the zonal level and sent to the Directorate General of GST Intelligence and Commissioner (GST-Investigation).

Please refer to the following link for the gist of the conditions and procedures prescribed to be followed for an arrest and bail in relation to offenses punishable under the CGST Act, 2017 <https://bit.ly/3QNx10E>

### Instruction No. 03/2022-23 (GST-Investigation) Dated 17 August 2022

Detailed instructions have been issued to address the problems faced by the taxpayers on account of excessive use of power to issue summons by field

authorities and to ensure that such power is exercised judiciously and with due consideration. Key guidelines are listed below:

- Superintendents should issue summons only after getting written approval from AC/ DC or above rank officers.
- Senior management officials such as CMD/MD/CEO/CFO/ similar officers should be summoned only when there are clear indications of their involvement.
- Issuance of summons may be avoided in the case of statutory documents readily available on the GST portal.

Please refer to the following link for detailed guidelines on the issuance of summons under Section 70 of the CGST Act, 2017 <https://bit.ly/3RaWpxb>

## Technical Clarification

### Introducing Single Click NIL Filing of GSTR-1

To enhance the user experience and functionality of GSTR-1/IFF filing, single click NIL filing of GSTR-1 has been implemented on the GSTN platform. Now, taxpayers can file a NIL GSTR-1 return just by checking the box next to it on the GSTR-1 dashboard.



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