

GST Trail

Key Highlights of GST Notifications and Clarification Circulars

September 2022



Notifications

[Notification No. 18/2022 – Central Tax dated 28 September 2022](#)

Key amendments to GST Act proposed vide Finance Act 2022 have been notified and are effective from 1 October 2022. The key amendments are listed below:

1. The time limit for availing of Input Tax Credit (ITC), furnishing the amendment in GSTR-1 and reporting of a credit note for the financial year has been increased to 30 November of the succeeding FY.
2. Additional criteria have been provided to restrict the availment of eligible credit on account of non-compliance by the supplier.
3. The relevant date for filing a refund application in respect of supplies made to SEZ or SEZ developer shall be the due date of filing the return in Form GSTR-3B in respect of such supplies.

Please check the link for details of these guidelines:

<https://bit.ly/3STcWX9>.

[Notification No. 19/2022 – Central Tax dated 28 September 2022](#)

The Central Board of Indirect Taxes and Customs (CBIC) has made amendments to the rules, effective 1 October 2022 vide notification 18/2022, to incorporate the relevant changes based on Finance Act 2022. The key amendment is highlighted below:

1. Additional conditions on account of suspension of registration by authorities are notified, which states that registration can be suspended if:
 - a. monthly taxpayer has not filed form GSTR-3B for a continuous period of six months
 - b. quarterly taxpayer has not filed form GSTR-3B for a continuous period of two tax quarters.
2. Form GSTR-1A and Form GSTR-2 were introduced under GST in 2017, however, the said forms were never implemented under the GST Law. The stated forms have now been removed. Consequently, references to such forms in various rules have also been omitted.

[Notification No. 20/2022 – Central Tax dated 28 September 2022](#)

CBIC has notified that Special Agencies and Embassy can now avail of ITC refund within a period of two years from the relevant date as specified in the Act vide Notification No.18/2022. The said period earlier was 18 months as per Notification No.20/2018. Due to the incorporation of said amendment in the Act, Notification No.20/2018 is rescinded.

Circulars

[Circular No.180/12/2022 – GST dated 9 September 2022](#)

In order to give effect to the direction issued by the Supreme Court in the case *Union of India vs Filco Trade Centre Private Limited*¹ the Authority has provided a facility to revise the form TRAN-1/TRAN-2 from the period 1 October 2022 to 30 November 2022. The Circular has provided detailed guidelines that need to be followed while filing the revised form GST TRAN-1/TRAN-2.



1. SLP (C) No. 32709-32710/2018

Instruction

Instruction No. 04/2022-23 [GST-Inv.] Dated 1 September 2022

Sanction of prosecution has a serious repercussion for the person involved. Therefore, the authority should be careful and fundamentally sound to implement the same. CBIC came out with the Instruction and guidelines to indulge prosecution. The key highlights of the guidelines are as follows:

1. The prosecution should not be launched in cases of technical nature or where there is a difference of opinion regarding the interpretation of law.
2. In the case of public limited companies, the prosecution should not be launched against all directors of the company but should be restricted to only persons who oversee the day-to-day operations of the company and have taken an active part in committing the tax evasion.
3. The decision on prosecution should be taken on a case-to-case basis depending on the evidence available. After carefully assessing the quality of evidence collected and various factors that need to be considered, such as the nature and gravity of the offense, quantum of tax evaded or ITC wrongly availed or refund wrongly taken.
4. The prosecution can be filed before issuance of a Show Cause Notice or demand getting confirmed by Adjudicating Authority.
5. A monetary limit of INR 50 million shall not be followed for levy of prosecution,
 - a. if the person is a habitual evader involved in two or more cases of confirmed demand in the past two years whose aggregate value exceeds the above-explained limit
 - b. cases where during the investigation, arrests have been made.
6. Investigation done by DGGI, prosecution requires sanction of Pr.Additional Director General/Additional Director General, Directorate General of GST Intelligence (DGGI) of the concerned zonal unit/headquarters.
7. The prosecution shall not be held in abeyance on the ground that the taxpayer has gone in appeal/revision.

Technical Clarification

Changes in Table 4 of GSTR-3B

Changes in Table 4 of GSTR-3B introduced to implement the update provided in relation to availment and reversal of ITC and reporting of Ineligible Credit correctly in form GSTR-3B.

Technical Advisory on form TRAN

Technical Advisory issued to ensure correct filing of GST TRAN-1/TRAN-2 within the specified period of time.



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