

Update Category	Proposed Changes in GST through Union Budget 2023
Update Source	GST Press Release
Release No.	TM/GST/182 dated 10th February 2023

Update on GST updates in Union Budget -

Following amendments proposed in the Finance Bill, 2023, vide Clause 128 to 144 except clause no. 142, will come into effect from a date to be notified, as far as possible, concurrently with the corresponding amendments to the similar GST Acts passed by the State(s) & Union territories with the legislature. Further, amendments proposed in Clause no. 142 of the Finance Bill, 2023 will come into effect retrospectively from July 1, 2017

I. AMENDMENTS IN THE CGST ACT, 2017:

SI No	Clause	Subject	Amendment
1	128	Supplier of goods through Electronic Commerce operators will now be eligible to opt for composition Scheme.	Clause (d) of sub-section (2) and Clause (c) of sub-section (2A) in section 10 of the CGST Act is being amended so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the Composition Levy.
2	129	Payment of amount towards ITC reversal in case payment of invoice not made within 180 days	Second and third provisos to sub-section (2) of section 16 of the CGST Act are being amended to align the said sub-section with the return filing system provided in the said Act.
3	130	Value of exempt supply for purposes of apportionment of credits shall include sale of warehoused goods to any person before clearance for home consumption	Explanation to sub-section (3) of section 17 of the CGST Act is being amended so as to restrict availment of input tax credit in respect of certain transactions specified in para 8(a) of Schedule III of the said Act, as may be prescribed, by including the value of such transactions in the value of exempt supply. Further, sub-section (5) of said section is also being amended so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.
4	131	Persons exempt from registration u/s 23(1) need not take GST Registration u/s 22(1)/24	Section 23(1) and (2) of the CGST Act are being amended, with retrospective effect from 01st July, 2017, so as to provide that persons for compulsory registration in terms of section 22(1) and 24 of the CGST Act need not register if exempt under section 23(1) i.e. persons engaged exclusively in the business of exempt supply of goods or services or an agriculturist, to the extent of supply of produce out of cultivation of land.
5	132	Filing of belated GSTR-1 not beyond three years of due date	A new Section 37(5) of the CGST Act is being inserted so as to provide a time limit upto three years from the due date within which the details of outward supplies under section 37(1) i.e. GSTR-1 for a tax period can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain

			conditions and restrictions, for a registered person or a class of registered persons.
6	133	Filing of belated GSTR-3B not beyond three years of due date	A section 39(11) of the CGST Act is being inserted so as to provide a time limit upto three years from the due date within which the return GSTR-3B for a tax period can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.
7	134	Filing of belated Annual Return not beyond three years of due date	A new section 44(2) of the CGST Act is being inserted so as to provide a time limit upto three years from the due date within which the annual return under section 44(1) viz GSTR-9/GSTR-9A for a financial year can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.
8	135	Filing of belated GSTR-8 not beyond three years of due date	A new section 52(15) of the CGST Act is being inserted so as to provide a time limit upto three years within which which the statement under section 52(4) viz GSTR-8 for a month can be furnished by an electronic commerce operator. Further, it seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for an electronic commerce operator or a class of electronic commerce operators.
9	136	Provisional refund eligible for provisionally accepted ITC	Section 54(6) of the CGST Act viz Provisional refund of 90% of total amount claimed in cases of zero rated supplies, is being amended so as to remove the reference to the provisionally accepted input tax credit to align the same with the present scheme of availment of self assessed input tax credit as per section 41(1) of the CGST Act. Currently provisionally accepted ITC are not eligible for provisional refund.
10	137	Manner will be prescribed for computing Interest on delayed refunds	Section 56 of the CGST Act is being amended so as to provide for an enabling provision to prescribe manner of computation of period of delay beyond 60 days from the date of receipt of application till date of refund, for calculation of interest on delayed refunds.
11	138	New Section for penalty on Electronic Commerce Operators	<p>A new Section 122(1B) of the CGST Act is being inserted so as to provide for penal provisions applicable to Electronic Commerce Operators in case of contravention of provisions relating to supplies of goods made through them by unregistered persons or composition taxpayers. The proposed Section reads as under:</p> <p><i>"(1B) Any electronic commerce operator who—</i></p> <p><i>(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;</i></p> <p><i>(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or</i></p>

			<i>(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher."</i>
12	139	Decriminalization of certain offences and increase in monetary threshold	Section 132(1) of the CGST Act is being amended so as to decriminalize offences specified in clause (g) (obstruct or prevents any officer in the discharge) , clause (j) (tampers with or destroys any material evidence or documents) and clause (k) (fails to supply any information) of the said section and to increase the monetary threshold for launching prosecution for the offences under the said Act from one hundred lakh rupees to two hundred lakh rupees, except for the offences related to issuance of invoices without supply of goods or services or both.
13	140	Amendment in compounding of offences	First proviso to section 138(1) of the CGST Act is being amended so as to simplify the language of clause (a), to omit clause (b) and to substitute the clause (c) of said proviso so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act. It further seeks to amend sub-section (2) so as to rationalize the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.
14	141	Consent based sharing of information furnished by taxable person	A new section 158A in the CGST Act is being inserted so as to provide for prescribing manner and conditions for sharing of the information furnished by the registered person in his return or in his application of registration or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or Eway bill or any other details, as may be prescribed, on the common portal with such other systems, as may be notified.
15	142	Amendment in Schedule III	Schedule III of the CGST Act is being amended to give retrospective applicability to Para 7, 8 (a) and 8 (b) of the said Schedule viz High seas Sale, Supply of warehoused goods before clearance and Supply by endorsement of documents of title before clearance for home consumption, with effect from 01st July, 2017, so as to treat the activities/ transactions mentioned in the said paragraphs as neither supply of goods nor supply of services. It is also being clarified that where the tax has already been paid in respect of such transactions/ activities during the period from 01st July, 2017 to 31st January, 2019, no refund of such tax paid shall be available.

II. AMENDMENTS IN THE IGST ACT, 2017:

Sl No	Clause	Subject	Amendment
1	143	Amendment in definition of non-taxable online recipient and online information and data base access or retrieval services	Section 2(16) of the IGST Act is being amended so as to revise the definition of "non-taxable online recipient" by removing the condition of receipt of online information and database access or retrieval services (OIDAR) for purposes other than commerce, industry or any other business or profession so as to provide for taxability of OIDAR service provided by any person located in non-taxable territory to an unregistered person receiving the said services and located in the taxable territory. Further, it also seeks to clarify that the persons registered solely in terms of clause (vi) of Section 24 of CGST Act shall be treated as unregistered person for the purpose of the said section. Also, section 2 (17) is being amended to revise the definition of "online information and database access or retrieval services" to remove the condition of rendering of the said supply being essentially automated and involving minimal human intervention.
2	144	Amendment in Place of Supply of services by way of transportation of goods	Proviso to sub-section (8) of section 12 of the IGST Act is being omitted so as to specify the place of supply, irrespective of destination of the goods, in cases where the supplier of services and recipient of services are located in India.

About TaxMarvel:

TaxMarvel is a Consulting firm focused on providing GST services to small and medium enterprises. We offer host of GST Services be it registration or compliance or consulting or litigation support. We make GST easy for businesses by bringing in technology and subject matter expertise.

TaxMarvel is founded by Chartered Accountants, Company Secretaries and Management Graduates who have extensive industry expertise. The founders have experience in Big4 consulting firm at a managerial level and has also headed a leading GST Suvidha Provider (GSP).

Our bouquet of services:

GST Compliance Services | GST Advisory and Consulting | GST Health Check | GST Annual Return | ITC Management | GST Refund Assistance | Advance Ruling and Litigation Support | GST E-Way Bill Services | GST Training and SOP Development

You can contact us at: Email: support@taxmarvel.com | Mobile No. +91-9903129064 | For **GST Updates** pls visit our website www.taxmarvel.com

Disclaimer: This alert contains general information which is provided on an "as is" basis without warranties of any kind, express or implied and is not intended to address any particular situation. The information should not be construed as specific advice or opinion and no reliance should be placed or acted upon or used as a basis for any decision or action that may affect you or your business. It is also expressly clarified that this alert is not intended to be a form of solicitation or invitation or advertisement to create any adviser-client relationship.

TaxMarvel Consulting Services LLP

Contact – Rohit - +91-9503031788 / Amit - +91-9903129064

Amit@taxmarvel.com

Email –