

Indirect Tax

July, 2024

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01

GST Clarifications & Updates

Recommendations of 53rd Goods and Services Tax ('GST') Council Meeting held on 22 June 2024

The 53rd GST Council Meeting chaired by Hon'ble Finance Minister Nirmala Sitharaman, was held on June 22, 2024. The meeting brought forward several significant recommendations related to changes in GST tax rates, measures for facilitating trade and streamlining compliance processes. Further, certain circulars were issued by Central Board of Indirect Taxes and Customs ('CBIC') pursuant to the Council meeting on 26 June 2024. Below are the key recommendations put forward by the Council:

Key Recommendations related to change in GST rates on Goods

- Imports of 'Parts, component, testing equipment, tools and toolkits of aircrafts' irrespective of their HS classification, to provide a fillip to MRO activities will attract 5% Integrated Goods and Services Tax ('IGST') (subject to certain conditions);
- All solar cookers whether single or dual energy source, will attract 12% GST;
- GST rate on 'carton, boxes and cases of both corrugated and non-corrugated paper or paper-board (HS 4819 10; 4819 20) is reduced from 18% to 12%;
- All types of sprinklers including fire water sprinklers will attract 12% GST (past practice to be regularized on 'as-is where-is' basis in view of genuine interpretational issue).

Key Recommendations related to exemption on certain goods/ services

- Exempt levy of GST Compensation Cess on the imports in SEZ by SEZ unit/developers for authorised operations w.e.f. 01.07.2017 (retrospectively);
- Exempt accommodation services (under heading 9963) having value of supply of accommodation up to Rs. 20,000/- per month per person subject to the condition that the accommodation service is supplied for a minimum continuous period of 90 days. Similar benefit for past cases will be extended;
- Extend IGST exemption on imports of research equipment/buoys imported under the Research Moored Array for African-Asian-Australian Monsoon Analysis and Prediction (RAMA) programme (subject to specified conditions).

Key Recommendations related to other changes in Services

Following services are to be included in Schedule III of Central Goods and Services Tax Act, 2017 ('CGST Act'):

1. Co-insurance premium apportioned by lead insurer to the co-insurer for the supply of insurance service by lead and co-insurer to the insured in coinsurance agreements (past cases may be regularized on 'as-is where-is' basis); and
2. Transaction of ceding commission/re-insurance commission between insurer and re-insurer (past cases may be regularized on 'as-is where-is' basis)
 - GST liability on reinsurance services of specified insurance schemes is regularized for the period from July 1, 2017, to January 24, 2018.

- GST liability on reinsurance services of schemes with total premium paid by the government is regularized for the period from July 1, 2017, to July 26, 2018.
- Clarification that retrocession is 're-insurance of re-insurance' and exempt under GST;
- Statutory collections by RERA are exempt from GST; and
- Incentive sharing for RuPay Debit Cards and low-value BHIM-UPI transactions is not taxable

Insertion of Section 128A for conditional waiver of Interest/Penalties

Following services are to be included in Schedule III of Central Goods and Services Tax Act, 2017 ('CGST Act'):

- Insertion of Section 128A in the CGST Act to provide conditional waiver of interest or penalty for demands under Section 73 for FY 2017-18 to FY 2019-20 if the tax demanded in the notice is paid by March 31, 2025. However, such waiver does not cover demand for erroneous refunds.

Reduction of Government Litigation

- Monetary limits (subject to certain exclusions) for filing appeals by the department are set at Rs. 20 lakhs for GST Appellate Tribunal, Rs. 1 Crore for High Court and Rs. 2 Crores for Supreme Court to reduce the government litigation;
- In this regard, Circular no. 207/1/2024 has been issued on 26 June 2024 by CBIC. Circular further specifies certain principles to be followed while determining whether a case falls within the above monetary limits and cases where such monetary limits would not apply.

Amendment in Section 107 and Section 112 of the CGST Act for reduction of Pre-deposit amount for Appeals and time limit for filing appeals in GST Appellate Tribunal

- Monetary limits of pre-deposit for filing appeals with the Appellate Authority is reduced to Rs. 20 Crore each for CGST and SGST. Further, amount of pre-deposit for filing appeal with the Appellate Tribunal has been reduced to 10% subject to maximum of Rs. 20 Crore each for CGST and relevant State Goods and Services Tax ('SGST'). This is done to ease cash flow and working capital blockage for the taxpayers;
- To allow the three-month period for filing appeals before the GST Appellate Tribunal, to start from a date to be notified by the Government in respect of appeal/ revision orders passed before the date of such notification.
- In addition to above, amendment in rule 142 of CGST Rules and issuance of a circular to prescribe a mechanism for adjustment of an amount paid in respect of a demand through FORM GST DRC-03 against the amount to be paid as pre-deposit for filing appeal.

Taxation of Extra Neutral Alcohol (ENA)

- Amendment in section 9 of CGST Act to exclude rectified spirit/ENA from GST when used for manufacturing alcoholic liquors for human consumption.

Reduction in Tax Collection at Source ('TCS') Rate for E-commerce operators ('ECOs') and amendment of Section 122

- The TCS rate for ECOs is to be reduced from 1% (0.5% CGST and 0.5% SGST) to 0.5% (0.25% CGST and 0.25% SGST) to ease the financial burden on the suppliers making supplies through such ECOs;
- Amendment in section 122(1B) (retrospectively from 1 October 2023) to clarify that said penal provision is applicable only for those ECOs that are required to collect TCS and not on other ECOs.

Relaxation of Section 16(4) Conditions retrospectively from 1 July 2017 and other recommendations relating to Input Tax Credit ('ITC')

- The last date for availing ITC for Financial Year ('FY') 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21, on any invoice or debit note pertaining to above periods, through Form GSTR-3B filed upto 30 November 2021 will be deemed to be 30 November 2021;

- Further, conditions of section 16(4) to be conditionally relaxed in cases where returns for the period from the date of cancellation of registration/ effective date of cancellation of registration till the date of revocation of cancellation of registration, are filed by the registered person within thirty days of the order of revocation;
- In addition to the above, the following clarifications to be provided by the Government:
 - ITC is not restricted under section 17(5) of CGST Act in respect of ducts and manhole used in network of Optical Fiber Cables (OFCs). In this regard, Circular no. 219/13/2024 has been issued on 26 June 2024 by CBIC;
 - Time limit for claiming ITC on procurements made from unregistered persons where the recipient is liable to pay GST under the reverse charge mechanism and is liable to issue invoice (i.e. a self-invoice as per section 31), the time limit for availing ITC under Section 16(4) would be the financial year in which such self-invoice has been issued by the recipient. In this regard, Circular no. 211/5/2024 has been issued on 26 June 2024 by CBIC. Circular further clarifies that in cases where recipient issues the invoice post-supply, recipient is required to pay interest on such delayed payment of tax. Delayed invoicing may also lead to penal provisions under GST;
 - Section 140(7) of CGST Act to be amended retrospectively with effect from 1 July 2017 to allow transitional credit on invoices pertaining to services provided before 1 July 2017 and where the invoices were received by the Input Service Distributor (ISD) before such date.

Extension of GSTR-4 Filing Date

- From FY 2024-25 onwards, the due date for filing Form GSTR-4 (for composition taxpayers) will be 30 June following the end of the financial year (from earlier due date of 30 April).

Amendment in Rule 88B to not include amount already in electronic cash ledger for interest computation purposes

- Rule 88B to be amended to provide that the amount available in Electronic Cash Ledger on the due date of filing Form GSTR-3B return which is debited while filing the said return, shall not be included while calculating interest under Section 50 of the CGST Act for delayed filing of such return.

Insertion of Section 11A in CGST Act

- Insertion of Section 11A in CGST Act to regularize non-levy or short levy of GST due to common trade practices

Mechanism for refund of additional IGST paid on account of upward revision in price of goods subsequent to export

- A mechanism for claiming refund of additional IGST paid on account of upward revision in price of the goods subsequent to their export to be prescribed

Recommendations relating to Valuation of Supply

- In respect of import of service by related persons, it is clarified that:
 - If the foreign affiliate provides services to the related domestic entity, who is eligible for full ITC, the value of supply of services declared in the invoice by the said related domestic entity may be deemed to be the Open Market Value (OMV) as per second proviso to Rule 28(1);
 - In cases where full ITC is available to the recipient and if the invoice is not issued by the related domestic entity with respect to such services, the value of such services may be deemed to be declared as Nil, and the same may be deemed to be the OMV as per second proviso to Rule 28(1);
 - In this regard, Circular no. 210/4/2024 has been issued on 26 June 2024 by CBIC. Circular further clarifies that clarification issued vide Circular No. 199/11/2023 in respect of supplies of services between distinct persons in cases where full ITC is available to the recipient, is equally applicable in respect of import of services between related persons as well.
- In respect of valuation of corporate guarantee, existing rule 28(2) is to be amended (retrospectively from 26 October 2023) and a circular to be issued to address various issues regarding valuation of corporate guarantee. Further, it is inter alia recommended that the valuation under Rule 28(2) would not apply in case of export of services and also where the recipient is eligible for full ITC;
- A clarification would be provided on mechanism for providing evidence by the suppliers for substantiating compliance of the conditions of Section 15(3)(b)(ii) in respect of post-sale discounts to the effect that ITC qua such discounts has been reversed by the recipient. In this regard, Circular no. 212/6/2024 has been issued on 26 June 2024 by CBIC.

- Circular clarifies that until such functionality/ facility is made available on the common portal for suppliers and tax officers to verify, suppliers may obtain a certificate from recipients issued by a Chartered Accountant (CA) or Cost Accountant (CMA) if tax amount (CGST, SGST/UTGST, IGST and compensation cess combined) under the said credit notes issued in a Financial Year exceeds INR 500,000. The said certificate would confirm the recipient's compliance with the required reversal of ITC for such credit notes;
- In cases where tax amount involved in the discount given by the supplier to recipient through tax credit notes in a Financial Year does not exceed INR 500,000, the said supplier may procure an undertaking/ certificate from the said recipient that the said ITC attributable to such discount has been reversed by him;
- Such certificates may include details such as credit note, relevant invoice numbers, amounts of ITC reversal as per credit note, and details of FORM GST DRC-03/return/other relevant documents showing recipient's ITC reversal;
- The certificate issued by CA or CMA is mandatorily required to include a UDIN (Unique Document Identification Number), which can be verified from the ICAI website for CAs and from the ICMAI website for CMAs; and
- Such certificates/ Undertakings to be treated as admissible evidence and can be produced before the tax officers during scrutiny, audit, investigations, etc.

Restriction on refund of IGST in cases where goods exported are subject to export duty

- Amendment in section 16 of IGST Act and section 54 of CGST Act to curtail refund of IGST on goods which are subject to export duty. The said restriction will apply on all cases whether export was made with payment of tax or without payment of tax and will also be applicable if such goods are supplied to SEZ units/ developers for authorized operations.

Recommendations relating to periodic compliances

- Introduction of form GSTR-1A to facilitate the taxpayers to amend details in form GSTR-1 for a tax period and/ or to declare additional details, before filing GSTR-3B for such tax period (for both monthly and quarterly taxpayers);
- Exemption from filing form GSTR-9/9A for FY 23-24 by taxpayers having annual aggregate turnover upto Rs. 2 Crores;
- The threshold for reporting in table 5 of GSTR-1 (i.e. inter-state B2C supplies) is reduced from Rs. 2.5 Lakhs to Rs. 1 Lakhs;
- Form GSTR-7 is to be filed by the required registered persons every month irrespective whether any tax has been deducted during the said month or not. Further, no late fee will be levied and details are to be uploaded invoice wise in GSTR-7.

Clarification on following issues to provide clarity to trade and tax officers and to reduce litigation

- Clarification on taxability of re-imbusement of securities/shares as ESOP/ESPP/RSU provided by a company to its employees;

In this regard, Circular no. 213/7/2024 has been issued on 26 June 2024 by CBIC. Circular has been summarised below:

- Certain Indian companies provide an option to their employees for allotment of securities/shares of their foreign holding company as part of their compensation package. In such cases, on exercising the option by the employees of Indian subsidiary company, securities/shares of foreign holding company are allotted directly by the holding company to the concerned employees and the cost of such securities/shares is generally reimbursed by the subsidiary company to the holding company;
- Securities (including shares) under GST Legislation are neither considered goods nor services. Accordingly, purchase or sale of securities/shares, in itself, is neither a supply of goods nor a supply of services. Therefore, in the absence of such transaction, falling under the supply of 'goods' or 'services' as per GST Act, GST is not leviable on said transaction of sale/purchase/transfer of securities/shares;
- Further, the companies offer Employee Stock Option Plan ('ESOP')/ Employee Stock Purchase Plan ('ESPP')/ Restricted Stock Unit ('RSU') to their employees to motivate them and these form part of remuneration of the employee by the employer as per terms of employment. Services by an employee to the employer in the course of or in relation to his employment are treated neither as supply of goods nor as supply of services as per Schedule III of CGST Act and accordingly GST is not leviable on the compensation paid to the employee by the employer as per the terms of employment contract which involve transfer of securities/shares of the foreign holding company to the employees of domestic subsidiary company;

- CBIC has further clarified that in cases where foreign holding company charges an additional fee, markup, or commission, from the domestic subsidiary company for issuing ESOP/ESPP/RSU to the employees of the domestic subsidiary company, such amount would be considered as consideration for facilitating/arranging the transaction. In this case, GST would be payable by domestic subsidiary company under RCM on such additional amount charged as consideration for the supply of services of facilitating/ arranging the transaction in securities/ shares by the foreign holding company to the domestic subsidiary company.
- Clarification on requirement of reversal of input tax credit in respect of amount of premium in Life Insurance services, which is not included in the taxable value as per Rule 32(4) of CGST Rules;
In this regard, Circular no. 214/8/2024 has been issued on 26 June 2024 by CBIC. Circular clarifies that the portion of the premium for taxable life insurance policies, which is excluded from the taxable value as per Rule 32(4) of the CGST Rules, should not be treated as pertaining to a non-taxable or exempt supply. Therefore, there is no requirement to reverse the ITC for this amount under the provisions of Rule 42 or Rule 43 of the CGST Rules.
- Clarification on taxability of wreck and salvage values in motor insurance claims;
In this regard, Circular no. 215/9/2024 has been issued on 26 June 2024 by CBIC. CBIC has clarified that if the insurance company deducts the salvage value from the claim amount, and the salvage remains with the insured (due to the deduction in claim settlement), there is no supply of salvage by the insurance company. Therefore, there is no GST liability on the insurance company for the salvage value. Further, If the insurance company settles the claim for the full IDV (Insured's Declared Value) without deducting the salvage value, the salvage becomes the property of the insurance company. In such cases, the insurance company is liable to pay GST on the disposal or sale of the salvage.

- Clarification in respect of Warranty/ Extended Warranty provided by Manufacturers to the end customers;
In this regard, Circular no. 216/10/2024 has been issued on 26 June 2024 by CBIC. Circular has been summarised below:
 - CBIC had earlier issued Circular No. 195/07/2023-GST dated 17 July 2023 clarifying certain aspects in relation to taxability of parts supplied under warranty. Present circular is in furtherance to earlier circular issued and address concerns raised by the trade and industry on certain other aspects;
 - The earlier circular addressed GST liability and ITC reversal only for the replacement of parts under warranty. Present circular has clarified that even if goods are replaced under warranty, clarification issued earlier would apply and no further GST is chargeable on such replacement under warranty provided no additional consideration is charged from the customer;
 - The earlier circular addressed GST liability and ITC reversal only in the cases where distributor provides replacement of parts to the customer as part of warranty on behalf of the manufacturer. Present circular has further clarified that earlier clarification would also apply in cases where the distributor replaces the parts/ goods to the customer as part of warranty out of his own stock on behalf of the manufacturer and subsequently gets replenishment of the said parts/ goods from the manufacturer;
 - Present circular further clarifies that where extended warranty agreement is made at the time of the original supply of goods and the supplier of the extended warranty is different from the supplier of the goods, supply of extended warranty be treated as a separate and independent transaction from the supply of goods and such supply cannot be treated as composite supply.
 - Additionally, where extended warranty is sold subsequent to original supply, extended warranty is to be treated as a supply of services distinct from the original supply of goods and accordingly applicable GST to be discharged.

- Clarification regarding availability of input tax credit on repair expenses incurred by the insurance companies in case of reimbursement mode of settlement of motor vehicle insurance claims;

In this regard, Circular no. 217/11/2024 has been issued on 26 June 2024 by CBIC. Circular clarifies that ITC is available to Insurance Companies in respect of motor vehicle repair expenses incurred by them in case of reimbursement mode of claim settlement.

- Clarification on taxability of loans granted between related person or between group companies;

In this regard, Circular no. 218/12/2024 has been issued on 26 June 2024 by CBIC. Circular has been summarised below:

- Instant circular clarifies the taxability of activity of providing loans by an overseas affiliate to its Indian affiliate or by a person to a related person, where there is no consideration in the nature of processing fee/ administrative charges/ loan granting charges etc., and the consideration is represented only by way of interest or discount;
- CBIC clarifies that Import of services from a related person in the course or furtherance of business, is treated as a taxable supply even if made without consideration under GST Legislation. However, services by way of extending deposits, loans, or advances, where the consideration is represented by way of interest or discount (excluding interest involved in credit card services), are specifically exempt from GST by way of exemption notification. Accordingly, where there is no consideration charged in the form of processing fees, service fees, or administrative charges, other than the interest or discount on the loan amount, no GST would apply on the transaction;
- CBIC has further clarified that independent lenders typically charge processing or administrative fees to cover the costs of loan application processing, credit assessment, and risk management. These fees are subject to GST. However, in the case of loans between related parties, such extensive processes may not be necessary as the information is often already available within the group. Thus, no additional administrative costs are usually incurred.

Therefore, loans provided by related parties without any processing fees or administrative charges should not be treated the same as those provided by independent lenders and accordingly no GST is required to be charged on the deemed administrative charges by resorting to open market value for valuation of the same as per rule 28 of the CGST Rules, 2017;

- If any fee (processing, administrative, service fees, etc.) is charged in addition to interest or discount, such charges would be considered as consideration for the supply of services and GST would be applicable.
- Clarification on time of supply on Annuity Payments under HAM Projects;
In this regard, Circular no. 221/15/2024 has been issued on 26 June 2024 by CBIC. Circular clarifies that the tax liability on the concessionaire under the Hybrid Annuity Mode ('HAM') contract, including on the construction portion, would arise at the time of issuance of invoice, or receipt of payments, whichever is earlier, if the invoice is issued on or before the specified date or the date of completion of the event specified in the contract, as applicable. If invoices are not issued on or before the specified date or the date of completion of the event specified in the contract, tax liability would arise on the date of provision of the said service (i.e., the due date of payment as per the contract), or the date of receipt of the payment, whichever is earlier.
Circular further clarifies that as the instalments/annuity payable by NHA to the concessionaire also includes some interest component, the amount of such interest would be includible in the taxable value for the purpose of payment of tax.
- Clarification regarding time of supply in respect of allotment of Spectrum to Telecom companies in cases where payment of licence fee and Spectrum usage charges is to be made in instalments;
In this regard, Circular no. 222/16/2024 has been issued on 26 June 2024 by CBIC. Circular clarifies that if a telecom operator makes full upfront payment, GST is payable when the payment is made or due, whichever is earlier. For deferred payments in instalments, GST is payable as each instalment becomes due or is paid, whichever is earlier.

- Clarification relating to place of supply of goods supplied to unregistered persons, where delivery address is different from the billing address;

In this regard, Circular no. 209/3/2024 has been issued on 26 June 2024 by CBIC. Circular has been summarised below:

- Clause (ca) of Section 10 (1) of the IGST Act, 2017 provides that where the supply of goods is made to an unregistered person, the place of supply would be the location as per the address of the said person recorded in the invoice and the location of the supplier where the address of the said person is not recorded in the invoice;
 - CBIC received various queries by trade and industry regarding the place of supply under this new clause for supplies to unregistered persons where the billing address differs from the delivery address, particularly in e-commerce transactions;
 - CBIC has now clarified that place of supply in cases involving supply of goods to an unregistered person, where the address of delivery of goods recorded on the invoice is different from the billing address of the said unregistered person on the invoice, the place of supply of goods would be the address of delivery of goods recorded on the invoice.
- Clarifications on various issues pertaining to special procedure for the manufacturers of the specified commodities, like pan masala, tobacco etc.

In this regard, Circular no. 208/2/2024 has been issued on 26 June 2024 by CBIC. In the circular, CBIC has issued clarifications on various issues raised by the trade associations of Pan Masala and Tobacco manufacturers. These procedural clarifications address issues related to the special procedures established by the CBIC under Notification No. 04/2024-CENTRAL TAX dated 5 January 2024.

Other matters pertaining to law and procedures

- Clarification on taxability of re-imbusement of securities/shares as ESOP/ESPP/RSU provided by a company to its employees;
- Roll out of biometric based Aadhaar authentication of registered taxpayers on PAN India basis to strengthen the registration process and curb the practices of issuance of fake invoices and availing fraudulent ITC on such fake invoices;
- Recommendation of common time limit for issuing demand notices and orders from FY 2024-25 onwards, regardless of fraud or wilful misstatement charges. Currently, time limit for issuing demand notices and demand orders, in cases where charges of fraud, suppression, wilful misstatement etc., are not involved, and in cases where those charges are involved is different;
- Further, it is recommended that the period for taxpayers to benefit from reduced penalties by paying the demanded tax with interest from 30 days to 60 days;
- Amendment in section 109 and section 171 of CGST Act 2017 for insertion of a sunset clause for Anti-Profiteering under GST and for handling of anti-profiteering cases by GST Appellate Tribunal. Recommended date is 1 April 2025 for receipt of any new application regarding anti-profiteering.

02

Customs Clarifications and Updates

Notifies Sea Cargo Manifest and Transhipment (Second Amendment) Regulations, 2024

- CBIC has notified the amendments in Sea Cargo Manifest and Transhipment Regulations 2018;
- The following amendments have been made:
 - Authorized sea carriers must submit cargo declarations using the specified forms from the Import and Export Manifest Regulations of 1971 and 1976, respectively, in the same manner as before, until August 31, 2024 (previously allowed until 30 June 2024); and
 - Persons notified by the Central Government for filing arrival or departure manifests must enter into a bond of INR 5 Lakhs and provide a bank guarantee or equivalent security in the same amount to the Commissioner of Customs, along with Form-I (earlier bond and security amount was INR 10 Lakhs).

[Notification No. 47/2024 – Customs (NT), dated 30 June 2024]

Launch of Exchange Rate Automation Module (ERAM)

- CBIC is launching ERAM w.e.f. 4 July 2024 for automating the process of issuing the exchange rates. The current system and new system *inter alia* is provided below;
- Currently, exchange rates are normally notified on 1st and 3rd Thursday of a month by CBIC which are manually incorporated in the Indian Customs EDI System (ICES) by an officer designated for this purpose. These notified exchange rates become effective from midnight of the following day;
- Now, the above process is automated beginning with forwarding of exchange rate data by SBI to ICEGATE through message exchange. The exchange rates received from SBI shall be adjusted to the nearest five paise and integrated with ICES; and
- These exchange rates shall be published on ICEGATE website at 6:00 p.m. as per the existing frequency and shall come into effect from midnight of the following day.

[Circular No. 07/2024-Customs, dated 25 June 2024]

03

Foreign Trade Policy Updates

Directorate General of Foreign Trade ('DGFT') has notified that import of 'Glufosinate and its salts' shall be prohibited, except where CIF value is INR 1289/- per Kg or above.

[Notification No. 14/2024-25, dated 3 June 2024]

DGFT has notified, for Advance Authorisation (AA) license holders, Export Oriented Unit and Special Economic Zone, the export obligation period to be 180 days from the date of import, in respect of chemical and textile products imported without compliance with Quality Control Orders (QCO) notified by Department of Chemicals and Petro-chemicals and Ministry of Textiles respectively.

[Notification No. 16/2024-25, dated 6 June 2024]

DGFT has revised import policy of certain items in Chapter 71 of the ITC (HS) code (covering natural or cultured pearls, precious or semi-precious stones, and metals). Import policy of ITC (HS) codes 71131912, 71131913, 71131914, 71131915 and 71131960 has been changed from "free" to "restricted". However, import of goods falling under ITC (HS) codes 71131912, 71131913, 71131914 and 71131915 are permitted under a valid INDIA-UAE CEPA (Comprehensive Economic Partnership Agreement) TRQ (Tariff Rate Quota).

[Notification No. 17/2024-25, dated 11 June 2024]

DGFT clarified, that re-import of unsold jewellery exported for the purpose of exhibition abroad under ITC (HS) codes 71131912, 71131913, 71131914 and 71131915 may be allowed clearance by custom authorities without import licences.

[Policy Circular No. 05/2024-25, dated 13 June 2024]

DGFT further clarified, that import made by SEZ units (Other than FTWZ units) under the ITC (HS) codes 71131912, 71131913, 71131914, 71131915 and 71131960 are outside the preview of the Notification No. 17/2024-25, dated 11 June 2024.

[Policy Circular No. 06/2024-25, dated 19 June 2024]

DGFT has permitted Engineering Export Promotion Council of India (EEPC India) or any other relevant Export Promotion Council (EPC) to issue Registration-Cum-Membership Certificate (RCMC) to exporters, required for obtaining benefits under the Remission of Duties and Taxes on Export Products (RoDTEP) scheme as EPC for medical devices has yet to start regular functioning.

[Notification No. 05/2024-25, dated 12 June 2024]

DGFT has extended the time period of Interest Equalisation Scheme (IES) for Pre and Post Shipment Rupee Export Credit, till 31.08.2024 for MSME exporter.

[Trade Notice No. 07/2024-25, dated 28 June 2024]

DGFT has relaxed the condition of submitting bill of export as evidence of discharge of export obligation for supplies made to Special Economic Zone (SEZ) units / developers under Advance Authorisation (AA)/ Duty Free Import Authorisation (DFIA). As an alternative, the exporters may now submit the following -

- ARE-1 (showing AA No. / DFIA File No. / DFIA file No) attested by jurisdictional Central Excise / GST Authorities;
- Evidence of receipt of supplies by the recipient in SEZ;
- Evidence of payment made by the SEZ unit to the AA/ DFIA exporter.

[Policy Circular No. 04/2024-25, dated 3 June 2024]

For Export Oriented Units (EOU), DGFT has notified, a minimum value addition of 25% in case of spices where both export as well as import items pertain to Chapter 9 of ITC (HS) Code. In all other cases, the minimum value addition has been 15%.

[Public Notice No. 08/2024-25, dated 3 June 2024]

DGFT has revised and simplified the list of documents required to be submitted by an AA holder in support of “deemed export” transactions, while applying for closure of Advance Authorisation.

[Public Notice No. 09/2024-25, dated 6 June 2024]

DGFT has notified that adherence with QCOs notified by Department of Chemicals and Petro-chemicals shall also be exempted for goods proposed to be utilized or consumed in manufacture of export products.

[Public Notice No. 10/2024-25, dated 6 June 2024]

04

Compliance Calendar

S. No.	Compliance Category	Compliance Description	Frequency	Due Date	Due Date falling in May 2024
1	Monthly Return Form GSTR-1 (Details of outward supplies)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	11 th day of succeeding month	For Tax Period April 2024- 11 th May 2024
2	Monthly Return Form GSTR-3B	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for QRMP Scheme	Monthly	20 th day of succeeding month	For Tax Period April 2024- 20 th May 2024
3	Invoice Furnishing Facility ('IFF') (QRMP Scheme)	Optional Facility to furnish the details of outward supplies under QRMP Scheme	Monthly	1 st day to 13 th day of succeeding month	For Tax Period April 2024 - 1 st to 13 th May 2024

S. No.	Compliance Category	Compliance Description	Frequency	Due Date	Due Date falling in July 2024
1	Monthly Return Form GSTR-1 (Details of outward supplies)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	11 th day of succeeding month	For Tax Period June 2024- 11 th July 2024
2	Monthly Return Form GSTR-3B	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for QRMP Scheme	Monthly	20 th day of succeeding month	For Tax Period June 2024- 20 th July 2024
3	Form GSTR-6 (Return for Input Service distributor)	Return for input service distributor	Monthly	13 th day of succeeding month	For Tax Period June 2024- 13 th July 2024

4	Form GSTR-7 (Return for Tax Deducted at Source)	Return filed by individuals who deduct tax at source under GST	Monthly	10 th of the succeeding month	For Tax Period June 2024- 10 th July 2024
5	Form GSTR-8 (Statement of Tax collection at source)	Return to be filed by e-commerce operators who are required to collect tax at source under GST.	Monthly	10 th of the succeeding month	For Tax Period June 2024- 10 th July 2024
6	QRMP Scheme Form GSTR-1 (Details of outward supplies)	Registered person having aggregate turnover up to INR 5 crores who have opted for QRMP Scheme	Monthly	13 th day of the Subsequent month following the end of quarter	For Tax Period July 2024- 13 th July 2024
7	QRMP Scheme Form GSTR-3B (Monthly return)	<ul style="list-style-type: none"> Registered person with aggregate turnover up to INR 5 crore (opted for QRMP Scheme) having place of business in Group 1ⁱ states and union territories 	Quarterly	22 nd day of the subsequent month following the end of quarter	For Tax Period July 2024- 22 July 2024

		<ul style="list-style-type: none"> Registered person with aggregate turnover up to INR 5 crore (opted for QRMP Scheme) having place of business in Group 2ⁱⁱ states and union territories 		24 th day of the subsequent month following the end of quarter	For Tax Period July 2024- 24 th July 2024
8	Form ITC - 04	Furnishing declaration for goods dispatched to a job worker or received from a job worker	Quarterly	25 th of the month succeeding the quarter	For Tax Period July 2024- 25 July 2024

ⁱGroup 1 states - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh or the Union Territories of Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep

ⁱⁱGroup 2 states - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha or the Union Territories of Jammu and Kashmir, Ladakh, Chandigarh, Delhi

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