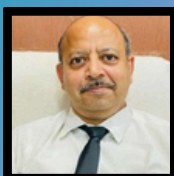




NEWSLETTER

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NEWSLETTER FOR JANUARY 25
VOLUME 15, ISSUE 1

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COMPLIANCE

JANUARY 2025 DUE DATES

GST

| DATE | COMPLIANCE DETAIL | APPLICABLE TO |
|------|---|--|
| 10th | <ul style="list-style-type: none">a) GSTR-7 (TDS return under GST)b) GSTR-8 (TCS return under GST) | <ul style="list-style-type: none">• Person required to deduct TDS under GST• Person required to collect TCS under GST |
| 11th | GSTR-1 (Outward supply return) | <ul style="list-style-type: none">• Taxpayers having annual turnover > Rs. 5 crore in FY 2023-24• Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme |
| 13th | <ul style="list-style-type: none">• GSTR-6 [Return by input service distributor (ISD)]• GSTR-5 (Return by Non-resident)• GSTR-1 (Outward supply return) | <ul style="list-style-type: none">• Person registered as ISD• Non-resident taxable person(NRTP)• Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme |
| 20th | <ul style="list-style-type: none">• GSTR-3B (Summary return)• GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return] | <ul style="list-style-type: none">• a) Taxable persons having annual turnover > Rs. 5 crore in FY 2023-24• b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for QRMP scheme• OIDAR services provider |

| | | |
|------|--|---|
| 22nd | <ul style="list-style-type: none"> GSTR-3B (Summary return) | <ul style="list-style-type: none"> Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep |
| 24th | | <ul style="list-style-type: none"> Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in any other state |

INCOME TAX

| DATE | COMPLIANCE DETAIL | APPLICABLE TO |
|------|--|---|
| 7th | <ol style="list-style-type: none"> TDS / TCS deposit Equalization Levy deposit | <ul style="list-style-type: none"> Non-Government Deductors All Deductors |
| 15th | <ol style="list-style-type: none"> Form 27EQ –TCS return | <ul style="list-style-type: none"> All Collectors |
| 30th | <ul style="list-style-type: none"> TCS certificate in Form 27D | <ul style="list-style-type: none"> All Collectors |
| 31st | <ul style="list-style-type: none"> TDS Return | <ul style="list-style-type: none"> All Deductors |

Other

| DATE | COMPLIANCE DETAIL | APPLICABLE TO |
|------|--|---|
| 15th | <ul style="list-style-type: none"> Deposit of PF & ESI contribution | <ul style="list-style-type: none"> All Deductors |



NOTIFICATION AND CIRCULARS ISSUED FOR THE MONTH OF DECEMBER 2024

NOTIFICATION NO-30/2024 – CENTRAL TAX, DATED 10.12.2024

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-3B for the month of October 2024 till the 11th Day of December 2024, for the registered persons whose principal place of business is in the state of Murshidabad in the state of West Bengal.

NOTIFICATION NO-31/2024 – CENTRAL TAX, DATED 13.12.2024

The CBIC, hereby appoints Joint Commissioner or Additional Commissioner, CGST and Central Excise Chandigarh Commissionerate [holding the charge of Adjudication of DGGI cases] for passing an order or decision in respect of certain notices, issued to the noticees mentioned in the notification by the officers of Directorate General of Goods and Services Tax Intelligence under sections 73, 74, 122, 125 and 127 of Central Goods and Services Tax Act 2017.

CIRCULAR NO-239/33/2024 – GST, DATED 04.12.2024

The CBIC has issued a Circular No. 239/33/2024-GST dated 4th December 2024, amending the provisions for the adjudication of the Show cause notices furnished via the officers of the Directorate General of Goods and Services Tax Intelligence (DGGI).

Authority has been provided to the Additional Commissioners and Joint Commissioners of Central Tax from this update made on Circular No. 31/05/2018-GST, from certain Commissionerate with All India Jurisdiction to manage adjudications. The amendments have the motive to ease the process that comprises the notices furnished before various entities or related to significant tax demands.

Major highlights are:

- Case allocation based on the highest tax demand to a particular Commissionerate across India.
- Criteria of adjudication amended to ensure the efficient management of matter that comprises distinct PANs or GSTINs.
- To address pending cases with a structured approach via corrigendum, specifically those issued before November 30, 2024.

Impacted Zones and Commissionerate: A comprehensive table assigning adjudication obligations across 23 zones, like Ahmedabad South, Chennai South, and Mumbai West, to name a few is included in the amended circular.

W.E.F. December 1, 2024, the amendment that comes into force aligns with Notification No. 27/2024-Central Tax, ensuring uniform application of the law across Commissionerate.

CIRCULAR NO-240/34/2024 – GST, DATED 31.12.2024

Input tax credit availed by electronic commerce operators (ECOs) where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform

The Circular addresses the Input Tax Credit and tax payment responsibilities of ECOs under section 9(5).

ITC Reversal Not Required: As per Circular No. 167/23/2021 dated 17.12.2021, ECOs do not need to reverse ITC for inputs or input services related to supplies on which they pay tax under section 9(5), on account of restaurant services. It has also been clarified that the input tax credit will not be allowed to be utilized for payment of tax liability under section 9(5) and whole of the tax liability under section 9(5) will be required to be paid in cash.

It is now clarified that this principle also applies to other services notified under section 9(5), apart from restaurant services.

Utilization of ITC: The ITC availed by ECOs cannot be used to pay tax liability under section 9(5). The entire tax liability under section 9(5) must be discharged using the electronic cash ledger. However, ITC can be utilized for tax liability on the ECO's own services (e.g., platform fees or commissions).

CIRCULAR NO-241/35/2024 – GST, DATED 31.12.2024

Availability of input tax credit as per Section 16(2)(b) in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract:

The clarification addresses references received from the automobile sector, regarding the conditions under which a registered person can avail Input Tax Credit u/s 16(2)(b) of the CGST Act, especially in the context of Ex-Works (EXW) contracts.

Condition for ITC Claim (Section 16(2)(b)): As per clause (b) of sub-section (2) of section 16 of the CGST Act, a registered person can claim ITC only if they have “received” the goods or services. The Explanation to this clause deems goods to be received when the goods are delivered to the recipient or a person directed by the recipient, either by transfer of title documents or otherwise. The CGST Act does not mandate physical receipt of goods at a specific location for ITC eligibility. This is unlike earlier excise laws where physical receipt at the factory was required.

Deemed Receipt of Goods Under EXW Contracts: In EXW contracts, Ownership of goods passes to the dealer (recipient) at the supplier’s (OEM’s) factory gate when handed over to the transporter. Transport and insurance may be arranged by the supplier on behalf of the dealer. The dealer is liable for claims in case of loss during transit.

It is now clarified that for ITC purposes goods are deemed received when handed over to the transporter at the supplier's factory gate, as per the terms of the contract.

Eligibility Based on Business Use: ITC is available only for goods used or intended to be used in the course or furtherance of business as per Section 16(1) of the CGST Act, 2017. If goods are diverted for non-business purposes or subsequently lost, stolen, destroyed, or disposed of as gifts/free samples, ITC on such goods is disallowed.

Implications of the Circular:

- Dealers can claim ITC as soon as the goods are handed over to the transporter, provided ownership passes at that point.
- Show-cause notices issued for ITC claims based on physical receipt at the business premises are unwarranted in light of this clarification.
- Dealers must ensure compliance with other conditions under sections 16 and 17 of the CGST Act.

CIRCULAR NO-242/36/2024 – GST, DATED 31.12.2024

Place of supply of Online Services supplied by the suppliers of services to unregistered recipients

This clarification emphasizes the mandatory requirement for suppliers of online services to record the correct place of supply and the state name of unregistered recipients on invoices, ensuring compliance with the GST law. It emphasizes that all online/digital service suppliers, including OIDAR service providers and electronic commerce operators, must adhere to the requirements for recording and reporting recipient details. Non-compliance could attract penalties, and suppliers are encouraged to establish systems to ensure proper invoices and reporting.

- **Mandatory Recording of the Recipient's State Name on Tax Invoices:** The name of the State of the Unregistered Recipient must be recorded on the tax invoice, irrespective of the value of the supply.
- **Impact on Place of Supply:** Recording the recipient's State name on the invoice is treated as the address on record. Under Section 12(2)(b)(i) of the IGST Act, the place of supply for these services is deemed to be the location of the recipient.
- **Supplier Obligations:** Suppliers must implement mechanisms to collect and record the recipient's State name before making supplies. The recorded State name serves as the deemed address of the recipient for GST compliance.
- **Penalties for Non-Compliance:** Failure to include mandatory particulars, such as the recipient's State name, on tax invoices can result in penal action under Section 122(3)(e) of the CGST Act.
- **Filing and Reporting:** The supplier must report the recipient's State as the place of supply in FORM GSTR-1/1A for outward supplies.

CIRCULAR NO-243/37/2024 – GST, DATED 31.12.2024

Issues pertaining to GST treatment of vouchers

To address long-standing ambiguities regarding the taxability of vouchers under GST and provide clarity on their treatment.

Clarifications on Various Aspects of Vouchers under GST:

1. **Nature of Voucher Transactions:** Vouchers are instruments that create an obligation for a supplier to accept them as full or partial consideration for goods or services. If vouchers are recognized as pre-paid instruments by the Reserve Bank of India (RBI) and used to settle obligations, they are treated as “money” under Section 2(75) of the CGST Act and are excluded from GST. If not considered as “money,” vouchers may qualify as actionable claims, which are also excluded from GST unless specified under Section 2(102A).
 - When vouchers are classified as money:- They are excluded from the definition of goods (Section 2(52)) and services (Section 2(102)). Transactions in such vouchers are neither the supply of goods nor services and hence not taxable under GST.
 - When vouchers are not classified as money but represent a promise for goods/services :- They are considered actionable claims (as per Section 2(1) of CGST Act, read with Section 3 of the Transfer of Property Act, 1882). Transactions in actionable claims (other than specified actionable claims, such as betting or gambling) are categorized under Schedule III, meaning they are neither a supply of goods nor services.
 - Underlying Goods/Services: – While the transactions in vouchers themselves are not taxable, the supply of goods or services for which vouchers are redeemed may be subject to GST.
2. **GST on Voucher Distribution by distributors/ sub-distributors/ agents etc.:**
 - **Principal-to-Principal Model (P2P):** Distributors/sub-distributors purchase vouchers from the issuer at a discounted price and sell them to end customers, sub-distributors, or corporates. Distributor/dealer assumes ownership of the vouchers and operates independently. Pure trading of vouchers in this case is not taxable under GST.

- **Distribution on Commission/Fee Basis (Principal-Agent Relationship):** Distributors/sub-distributors/agents act on behalf of the voucher issuer, without owning the vouchers. Their role involves marketing, promotion, or other support activities for voucher distribution. Revenue is earned as a commission/fee (or equivalent remuneration) from the voucher issuer. The commission or fee earned by the distributor/sub-distributor/agent is treated as a supply of services to the voucher issuer. GST is payable on this commission/fee amount as per the applicable GST rate for services.
- 3. **Additional Services Related to Vouchers:** GST applies to services such as advertising, co-branding, marketing, customization, and technology support provided to voucher issuers.
- 4. **Unredeemed Vouchers (Breakage):** Breakage refers to the value of unredeemed vouchers that remain unused at the end of their expiry period. Section 9(1) of CGST Act, provides that GST is chargeable only on the supply of goods and/or services. In the case of breakage, there is no redemption of the voucher and consequently, there is no supply of the underlying goods and/or services. Breakage amounts are not considered consideration under GST as there is no express or implied agreement between the issuer and redeemer for payment in such cases. No GST is applicable on unredeemed vouchers as there is no underlying supply of goods or services.

Key recommendations of the 55th GST Council Meeting; Aiming at Reducing Tax Litigation and Enhancing Ease of doing Business.

The 55th GST Council meeting was held on December 21st, 2024 under the chairmanship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. The GST Council has inter-alia made the following recommendations relating to changes in GST rates on Goods and Services and other measures for facilitation of trade. The key highlights of the meeting are as under:

1. Rate of Tax on Goods and Services:

Rate for Goods:

- **Fortified rice kernels:** The GST rate reduced to 5 % from the previous 18%, regardless of end use.
- **Autoclaved Aerated Concrete (ACC) blocks:** ACC blocks containing more than 50 percent fly ash will now attract 12% GST, reduced from 18%.
- **Used cars and EVs:** Sale of old and used cars, including smaller petrol/diesel vehicles and electric vehicles, to 18% from the earlier 12%.

2. Exemption from GST on Goods/Services:

A. Exemption for Goods:

- **IGST Exemption under Notification No. 19/2019-Customs** involves including specified systems, sub-systems, equipment, and other related components meant for the assembly or manufacture of the Long-Range Surface-to-Air Missile (LRSAM) system.

- Exempting IGST on imports of all equipment and consumable samples by the Inspection Team of the International Atomic Energy Agency (IAEA) involves facilitating compliance with international obligations while ensuring that such imports are efficiently utilized for their intended purpose.
- Gene therapy, Life-Saving Drugs.

B. Exemption on Services:

- **Contributions made by general insurance companies:** Contributions made by general insurance companies to the Motor Vehicle Accident Fund from the third-party motor vehicle insurance premiums collected by them. The contribution must be statutory, mandated under Section 164B of the Motor Vehicles Act, 1988.

3. Proposal for Amending GST Structure on Hotel Accommodation and Restaurant Services:

- Align the rate of GST on hotel accommodation and restaurant services with the actual value of supply rather than relying on declared tariffs.
- To determine GST rates based on the preceding financial year's value of supply.
- Allow hotels the option to opt for 18% GST with ITC on restaurant services, thereby facilitating input tax credit (ITC) utilization.
- Changes to be made effective from 01.04.2025 to avoid any transitional challenges.

4. Reverse Charge Mechanism on Services:

- Supply of sponsorship services by body corporates: To bring under Forward Charge Mechanism (FCM) instead of the existing Reverse Charge Mechanism (RCM). Services provided by other categories (e.g., individuals, unincorporated entities) may continue under the RCM to simplify tax collection from smaller, unregistered entities.
- Supply of Renting services to registered under the Composition Levy Scheme: To Exclude taxpayers registered under the Composition Levy Scheme from Entry 5AB under Notification No. 09/2024-CTR i.e. exempting them from the RCM liability for renting such properties.

Issue a separate notification to regularize the transitional period, explicitly stating that no penalties or interest will be levied for transactions during the period from 10.10.2024 to the date of the new notification.

5. Applicability of GST on various Goods /Services:

- Pepper whether green or dried and raisins, when supplied by an agriculturalist, are not liable for GST.
- Payment aggregators handling transactions below Rs 2,000 are eligible for exemptions; this does not apply to payment gateways and fintech services.
- Penal charges levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms will not attract GST.
- Tax rates on Popcorn:
 - Unpackaged salted or spiced popcorn: 5% GST
 - Pre-packaged popcorn: 12% GST
 - Caramel-coated popcorn: 18% GST.

6. Removal of ambiguity and legal disputes on various GST issues:

- **Reversal of Input Tax Credit by Electronic Commerce Operators (ECO) for Supplies Under Section 9(5) of CGST Act, 2017** – To clarify explicitly stating that ECOs are not required to reverse ITC proportionally for supplies covered under Section 9(5).
- **Input Tax Credit (ITC) on Ex-Works Contracts:** To clarify that delivery under Ex-Works contracts qualifies as receipt of goods for ITC purposes, subject to compliance with other provisions.
- **Late Fee for Delay in Filing FORM GSTR-9C and Waiver for Previous Years (2017-18 to 2022-23):**

A. Applicability of Late Fee for Delay in Filing FORM GSTR-9C- To Clarify that the late fee is applicable for delayed filing of complete annual return under Section 44 including both FORM GSTR-9 (Annual Return) and FORM GSTR-9C (Reconciliation Statement).

B. Waiver of Late Fees for Past Years (2017-18 to 2022-23) – To Issue a notification under Section 128 to formalize the waiver of excess late fees for the financial years 2017-18 to 2022-23. The waiver will apply if FORM GSTR-9C is filed on or before 31 March 2025, provided FORM GSTR-9 for the corresponding period has already been filed.

7. Facilitation of Trade Measures and Amendments in the CGST Act

A. Amendment in Schedule III of CGST Act, 2017: Transactions involving goods warehoused in an SEZ or FTWZ (Free Trade Warehousing Zone) before their clearance for exports or to the Domestic Tariff Area (DTA) will not be treated as a supply of goods or services under GST.

This brings the taxation of goods in SEZs and FTWZs at par with the treatment of goods in customs bonded warehouses, thus reducing ambiguity and ensuring consistency in trade policies.

B. Taxability of Vouchers:

- **Vouchers Not Treated as Supply:** To clarify Transactions involving vouchers will not be treated as a supply of goods or services under GST.
- **Distribution of Vouchers:** Principal-to-Principal Distribution basis not be subject to GST. However, in case of Principal-to-Agent Distribution, any commission/fee or other amounts charged by the agent for distributing the vouchers will be taxable under GST.
- **Additional Services Related to Vouchers:** Services such as advertising, co-branding, marketing, promotion, customization, technology support, and customer support related to vouchers will be subject to GST.
- **Unredeemed Vouchers (Breakage):** No GST will be payable on income booked in respect of breakage or unclaimed voucher value.

C. Implementation a Track and Trace Mechanism for specified evasion-prone commodities: This mechanism will allow authorities to monitor and track the movement of goods throughout the supply chain. The system will rely on the use of a Unique Identification Marking (UIM) that will be affixed on the goods or the packages containing the goods.

D. Retrospective Amendment in Section 17(5)(d) of CGST Act, 2017 relating to phrase 'plant or machinery':The GST Council has proposed a retrospective amendment to the Goods and Services Tax (GST) Act to address the implications of the Supreme Court's landmark judgment in the Safari Retreats case.

Specifically, the amendment proposes to replace the phrase “plant or machinery” with “plant and machinery”, effective retrospectively from 01.07.2017. The change aims to clarify the legislative intent behind Section 17(5)(d), which deals with the restriction on Input Tax Credit (ITC) on certain items, including plant and machinery.

E. Reduction in pre-deposit requirement for filing appeals in cases involving only a penalty demand: To reduce pre-deposit amount from 25% to 10% for filing an appeal before the Appellate Authority and an appeal before the Appellate Tribunal.

F. Provisions Pertaining to Input Services Distributor (ISD): To include interstate RCM transactions under the ISD framework. This will simplify the distribution of input tax credits (ITC) for such supplies and provide greater clarity and consistency in GST compliance. The changes will be effective from 01.04.2025, allowing time for necessary adjustments.

G. Generation of a Temporary Identification Number (TIN): To provide for the generation of a Temporary Identification Number (TIN) for persons who are not otherwise required to be registered under the CGST Act, 2017 but are still required to make a payment under Rule 87(4) of the CGST Rules, 2017. These amendments will take effect from the date of issuance of the relevant notification or the prescribed timeline by the authorities.

H. Amendment to enhance the functionality of the Invoice Management System (IMS)

These proposed changes are as under:

- **Section 38 of the CGST Act, 2017** – To establish the process for generating FORM GSTR-2B based on the action taken by taxpayers within the IMS.
- **Rule 60 of CGST Rules, 2017** – To align the rules with the revised processes for generating the GSTR-2B form.
- **Section 34(2)** – To clarify that the recipient must reverse the ITC associated with the credit note issued by the supplier. This ensures that the supplier's output tax liability can be adjusted appropriately.
- **New Rule 67B** – A new Rule 67B will be inserted in the CGST Rules, 2017 to specify the process and method through which the supplier's output tax liability will be adjusted when a credit note is issued.
- **Section 39** – To ensure that FORM GSTR-3B can be filed only after FORM GSTR-2B has been made available for the corresponding tax period.

8. Miscellaneous:

A. Amendment in the Definition of “Pre-Packaged and Labelled” Under GST:

Current Definition: Under the existing GST provisions, the term ‘pre-packaged and labelled’ refers to commodities that are packaged and labelled for retail sale, with the focus primarily on certain categories of goods.

Proposed Change: The definition will be expanded to include all commodities intended for retail sale, which contain not more than 25 kg or 25 liters, and which are Pre-packed as defined under the Legal Metrology Act, 2009 and Labelled to comply with the declarations required by the Legal Metrology Act and its associated rules.

This change will ensure uniformity in the treatment of goods that are pre-packed and labelled for retail sale, regardless of their category, as long as they meet the specified weight and volume thresholds.

B. Supply of Online Services to Unregistered Recipients: To provide clarity on the tax invoice requirements for suppliers of online services such as online money gaming, OIDAR services, and other digital services, when provided to unregistered recipients.

Mandatory Requirement for Suppliers: Suppliers of online services (e.g., online money gaming, OIDAR services) to unregistered recipients will be required to mandatorily record the name of the State of the recipient on the tax invoice.

This clarification is significant in determining the place of supply for online services under Section 12(2)(b) of the IGST Act, 2017. By mandating the recording of the State of the recipient, the location of the unregistered recipient becomes clear for tax purposes, enabling the supplier to correctly determine the place of supply for GST applicability.

9. Decisions Deferred for Future Deliberations:

- **Floor Space Index:** GST on Floor space index should be in reverse charge or forward charge.
- **Aviation Turbine Fuel (ATF):** States have rejected a proposal to include Aviation Turbine Fuel (ATF) in the ambit of the Goods and Services Tax (GST) regime, Finance Minister Nirmala Sitharaman said on December 21 during a briefing after the GST Council meeting. Periodically, there have been requests from the Civil Aviation Ministry as well as the industry to include ATF in GST, however, while the Council deliberated on this issue, it was not agreed to.
- **Food delivery apps:** Food delivery by e-commerce and quick commerce – taxation for delivery and taxation for food were deliberated. However, no decision has been taken yet. GST Council has not taken any decision on this, it has been deferred, the GoM will deliberate on this once again.
- **Calamity Cess:** The Council has agreed to form a GoM, including representatives from West Bengal, Uttar Pradesh, Andhra Pradesh and other states to determine the procedure and system for implementing a 1 percent calamity cess on certain goods and services. This cess will help states recover from natural disasters.
- **Insurance Policies:** The decision to reduce GST on health and life insurance has been postponed to the next meeting. After getting IRDAI's inputs, GoM will finalize report. No timeline has been given to GoM on cess to finalize report.
- **Rate Rationalization:** GoM on GST rate rationalization deferred submission of its report, which suggested rate rationalization in 148 items.

NEWS AND UPDATES

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration- Haryana, Manipur, Meghalaya, Tripura, Chhattisgarh, Goa, Mizoram and Arunachal Pradesh

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

- Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.

The above-said functionality has been developed by GSTN. It rolled out in Haryana, Manipur, Meghalaya, Tripura, Chhattisgarh, Goa, Mizoram and Arunachal Pradesh.

1. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - (a) A link for OTP-based Aadhaar Authentication OR
 - (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)
4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.
5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.
6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Haryana, Manipur, Meghalaya, Tripura, Chhattisgarh, Goa, Mizoram and Arunachal Pradesh.
7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.
8. At the time of the visit of GSK, the applicant is required to carry the following details/documents
 - (a) a copy (hard/soft) of the appointment confirmation e-mail
 - (b) the details of jurisdiction as mentioned in the intimation e-mail
 - (c) Aadhaar Card and PAN Card (Original Copies)
 - (d) the original documents that were uploaded with the application, as communicated by the intimation e-mail.
9. The biometric authentication and document verification will be done at GSK, for all the required individuals as per the GST application Form REG-01.
10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation email. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.

Advisory on mandatory Sequential Filing of GSTR-7 Returns as per Notification No. 17/2024

Multiple tickets have been received regarding sequential filing of return in Form GSTR-7. Taxpayers are referencing FAQs for the same, wherein “it is not mandatory” is mentioned. To clarify, it is to inform that following changes have been introduced in the return filing process for GSTR-7 with effect from 01.11.2024 onwards.

Sequential Filing of GSTR-7:

As per Notification No. 17/2024-Central Tax, dated 27th September 2024, effective from the 01.11.2024, GSTR-7 filing has been made sequential from the October tax period. Hence, GSTR-7 return is to be filed in chronological order, beginning with the return period of October 2024. It is pertinent to mention that for a month in which no deduction has been made, deductors need to file Nil return for the same month.

Advisory for Waiver Scheme under Section 128A

For reducing the tax disputes and to provide a big relief to the taxpayers, GST Council in its 53rd meeting held on 22nd June, 2024 had recommended for waiver of interest and penalties in the demand notices or orders issued under Section 73 of the CGST Act, 2017 (i.e. the cases not involving fraud, suppression or wilful misstatement, etc.) for the Financial years 2017-18, 2018-19 and 2019-20. To avail this waiver, the condition is that the full tax demanded is paid on or before 31.03.2025.

In view of the above, Rule 164 of CGST rules, 2017 was notified through Notification No. 20/2024 dated. 8th October 2024, effective from 1st November 2024. This rule provides procedural guidelines for the said waiver scheme. As per the waiver scheme, if a notice or order is issued under Section 73 for the financial years 2017-18, 2018-19 and 2019-20, the taxpayers are required to file an application in FORM GST SPL-01 or FORM GST SPL-02. for this SPL-02 form is made available on GST Portal from 29th December 2024 onwards

The process of filing SPL-02 electronically is detailed in the document below:

https://tutorial.gst.gov.in/downloads/news/help_document_on_filing_of_spl_02.pdf

Advisory on Updates to E-Way Bill and E-Invoice Systems

GSTN is pleased to announce that NIC will be rolling out updated versions of the E-Way Bill and E-Invoice Systems effective from 1st January 2025. These updates are aimed at enhancing the security of the portals, in line with best practices and government guidelines.

1. Multi-Factor Authentication (MFA):

One of the key changes involves the implementation of Multi-Factor Authentication (MFA). Currently, MFA, which requires login using a username, password, and OTP (sent to the registered mobile number, Sandes app, or similar platforms), is mandatory for taxpayers with an Annual Aggregate Turnover (AATO) exceeding Rs 100 Crores since 20th August 2023 and optional for those with AATO exceeding Rs 20 Crores since 11th September 2023.

a) Starting 1st January 2025, MFA will become mandatory for taxpayers with AATO exceeding Rs 20 Crores, from 1st February 2025 for those with AATO exceeding Rs 5 Crores, and from 1st April 2025 for all other taxpayers and users.

b) Taxpayers are encouraged to activate and start using MFA immediately, and detailed instructions are available on the E-Invoice and E-Way Bill portals. It is advised to ensure that the registered mobile number is updated with your GSTIN.

2. Restricting the period of EWB generation from the date of base document:

The generation of E-Way Bills will be restricted to documents dated within 180 days from the date of generation. For instance, documents dated earlier than 5th July 2024 will not be eligible for E-Way Bill generation starting 1st January 2025.

3. Restricting the extension of EWB for specific time/period from the eWB generation date:

Furthermore, the extension of E-Way Bills will be limited to 360 days from their original date of generation. For example, an E-Way Bill generated on 1st January 2025 can only be extended up to 25th December 2025.

Important GST changes applicable from 1 Jan 2025

1. Multi-Factor Authentication (MFA) for E-Way Bill and E-Invoice Portals

Current Status: MFA has been mandatory for taxpayers with an Annual Aggregate Turnover (AATO) exceeding ₹100 crores since August 20, 2023, and optional for those with AATO exceeding ₹20 crores since September 11, 2023.

Upcoming Changes:

- From January 1, 2025: Mandatory for taxpayers with AATO exceeding ₹20 crores.
- From February 1, 2025: Mandatory for taxpayers with AATO exceeding ₹5 crores.
- From April 1, 2025: Mandatory for all taxpayers and users.

Taxpayers are advised to activate MFA immediately and ensure their registered mobile numbers are updated with GSTIN to avoid last-minute issues.

2. Changes to E-Way Bill (EWB) Rules

- **Restricted Period for EWB Generation:**
 - Effective January 1, 2025, EWB generation will be limited to documents dated within 180 days of the generation date. For example, documents dated earlier than July 5, 2024, will not be eligible for EWB generation on January 1, 2025.
- **Restricted EWB Extension Period:**
 - Extensions for EWBs will be capped at 360 days from their original generation date. For instance, an EWB generated on January 1, 2025, can only be extended until December 25, 2025.

3. Announcements from the 55th GST Council Meeting

Several measures and rate changes were announced during the 55th GST Council meeting. These include:

- **Composite Taxpayers:** Exemption from Reverse Charge Mechanism (RCM) when renting commercial property from an unregistered person.
- **Late Fee Waiver for GSTR-9C:**
 - Late fees on GSTR-9C filings for FY 2017-18 to FY 2022-23 are waived if GSTR-9 has already been filed.
 - Pending GSTR-9C can be filed without penalty until March 31, 2025.

4. Invoice Management System (IMS)

- The Invoice Management System (IMS) is now active on the GST portal.
- It is expected to become mandatory in 2025 for generating GSTR-2B.
 - **Impact on GSTR-3B Filing:** With IMS becoming mandatory, taxpayers will have less time to reconcile and file GSTR-3B, as IMS actions begin from the 14th of the month, while the last date for GSTR-3B filing remains the 20th.

5. Updated GSTR-3B Filing Timelines with IMS

- With the mandatory implementation of IMS, actions will commence by the 14th of each month.
- Taxpayers must ensure timely preparation for filing GSTR-3B, as the deadline remains the 20th of the same month.

Direct tax



Central Board of Direct Taxes (CBDT) launches electronic campaign to address income & transaction mismatches for FYs 2021-22 & 2023-24

CBDT has launched an electronic campaign to assist taxpayers in resolving mismatches between the income and transactions reported in the Annual Information Statement (AIS) and those disclosed in Income Tax Returns (ITRs) for the FYs 2021-22 and 2023-24. This campaign also targets individuals who have taxable income or significant high-value transactions reported in their AIS but have not filed ITRs for the respective years. The initiative is part of the implementation of the e-Verification Scheme, 2021.

As part of the campaign, informational messages have been sent via SMS and email to taxpayers and non-filers where mismatches have been identified between transactions reported in AIS and the ITRs filed. The purpose of these messages is to remind and guide individuals who may not have fully disclosed their income in their ITRs to take this opportunity to file revised or belated ITRs for FY 2023-24. The last date to file these revised or belated ITRs for FY 20-23-24 is 31 December 2024. For cases pertaining to FY 2021-22, taxpayers can file updated ITRs by 31 March 2025.

Taxpayers can also provide their feedback, including disagreement with the information reported in the AIS, through the AIS portal accessible via the e-filing website (<https://www.incometax.gov.in/iec/foportal/>). CBDT has encouraged all eligible taxpayers to take advantage of this opportunity to fulfil their tax responsibilities.

Direct Tax Vivad se Vishwas Scheme, 2024 – Guidance Note 2/2024 issued by CBDT

Background

In the past, the Direct Tax Vivad Se Vishwas Act, 2020 was launched for appeals pending as on 31 January 2020, for settlement of disputes between taxpayers and revenue authorities. Reportedly, the Scheme got an encouraging response from taxpayers and also resulted in garnering substantial revenue for the Government of India. Encouraged by the success of the Scheme introduced last time, Government vide Finance (No. 2) Act, 2024 has relaunched the scheme in the form of 'Direct Tax Vivad se Vishwas Scheme, 2024'. The objective is same, i.e., to provide a mechanism for settlement of disputed issues, thereby reducing litigation without much cost to the exchequer.

The date of commencement of the scheme has been notified as 1 October 2024. Further, rules and forms for enabling the scheme have also been notified on 20 September 2024. On 30 September 2024, the Directorate of Income Tax (Systems), Bengaluru, has issued the Procedure for making declaration and furnishing undertaking in Form-1 under Rule 4 of The Direct Tax Vivad Se Vishwas Rules, 2024.

Guidance Note 2/2024 issued by CBDT on 16 December 2024

CBDT has issued Guidance Note 1/2024 on 15 October 2024, covering responses to queries around various issues. Subsequently, CBDT has issued Guidance Note 2/2024 on 16 December 2024 answering another set of Frequently Asked Questions around following issues:

- Eligibility of cases
- Set-aside appeal
- Prosecution
- Computation of amount payable
- Disputed penalty
- Cases under Advance Pricing Agreement / Mutual Agreement Procedure
- Taxes paid before filing declaration
- Withholding tax related queries

Exemption to banks from requirement to withhold tax at source u/s 194N of the Income-tax Act, 1961 on cash withdrawals by Foreign Diplomatic Missions

Section 194N of the Income-tax Act, 1961 requires withholding of tax at source @ 2% by banks / co-operative societies / post offices in case of cash payments exceeding Rs. 1,00,00,000 (threshold limit) to any recipient / account holder from one or more accounts maintained by such recipient / account holder with the bank / co-operative society / post office.

There are certain exceptions in terms of withdrawals by some specified categories of recipients / account holders which are not subject to withholding of tax at source u/s 194N. On 28 November 2024, the Ministry of Finance has issued a notification exempting banks / co-operative societies / post offices from the requirement of withholding tax at source u/s 194N on cash withdrawals by Diplomatic Missions, agencies of the United Nations, International Organisations, Consulates and Offices of Honorary Consuls which are exempt from paying taxes in India as per the Diplomatic Relations (Vienna Convention) Act 1972 (43 of 1972) and the United Nations (Privileges and Immunities) Act 1947 (46 of 1947). The exemption is applicable from 1 December 2024 onwards.

➔ Extension of due date for furnishing belated/revised return of income for the Assessment Year 2024-25 in certain cases

The Central Board of Direct Taxes in exercise of its powers under section 119 of the Income-tax Act, 1961 ('the Act'), extends the last date for furnishing belated return of income under sub-section (4) of section 139 of the Act or for furnishing revised return of income under sub-section (5) of section 139 of the Act for the Assessment Year 2024-25 in the case of resident individuals from 31st December, 2024 to 15th January, 2025.

➔ Extension of due date for determining amount payable as per column (3) of Table specified in section 90 of Direct Tax Vivad Se Vishwas Scheme, 2024

The Central Board of Direct Taxes (CBDT), in exercise of its powers under sub-section (2) of section 97 of the Direct Tax Vivad Se Vishwas Scheme, 2024 ('the Scheme') extends the due date for determining amount payable as per column (3) of the Table specified in section 90 of the Scheme from 31st December, 2024 to 31st January, 2025.

(2) Accordingly, notwithstanding anything contained in the Direct Tax Vivad Se Vishwas Scheme, Rules or Guidance Note of 2024, in such cases where declaration is filed on or before 31st January, 2025, amount payable shall be determined as per column (3) of the Table specified in section 90 of the Scheme, and where declaration is filed on or after 01st February, 2025, amount payable shall be determined as per column (4) of the said Table.

Corporate Law & Regulatory



1.12 lakh companies registered between April to November 2024 - Initiatives taken by Government to promote registration of companies

The total number of companies registered during current FY 2024-25 till 30 November 2024 is 1,12,962.

Initiatives taken by the Government to promote registration of companies are as below.

- Central Registration Centre (CRC) established on 22 January 2016 by Ministry of Corporate Affairs to centralize the online process of incorporation
- Cost of starting a business reduced significantly through following initiatives
 - ✓ All companies with authorized capital upto Rs.15 lakh are incorporated at zero statutory fee
 - ✓ Integration of Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) applications with SPICE (web form for incorporation of Company) + E Memorandum of Association and E-Articles of Association and allotment of Director Identification Number (DIN) integrated into SPICE, registration with Employees' Provident Fund Organisation, Employees' State Insurance Act, Professional Tax Registration Certificate, Professional Tax Enrolment Certificate, Shops and Establishment Act, GSTIN
 - ✓ Rule 38(2) of the Companies (Incorporation) Rules 2014 provides that single SPICE+ form can be used to apply for allotment of DIN upto 3 Directors, Reservation of a Name, Incorporation of company and Appointment of Directors of the proposed for One Person Company, Private company, Public company and a company falling u/s 8 of the Companies Act, 2013
- Amendments were made in the Companies Act, 2013 in the year 2020 to facilitate Ease of Doing Business, Decriminalization of offences and to improve compliance requirements, specifically for Small Companies, One Person Companies, Start-ups and Producer Companies
- Exemptions from various provisions of the Companies Act to Private Companies, Government Companies, Charitable Companies, Nidhi Companies and International Financial Services Centre (GIFT city) companies have been provided

Please [Click Here](#) to read Press Release dated 16 December 2024.

Prevention of Sexual Harassment of Women at Workplace Act, 2013 - SHe-Box portal recently launched by Ministry of Women & Child Development

The Sexual Harassment electronic Box (SHe-Box) is an initiative by the Ministry of Women and Child Development, Government of India, aimed at providing a single-window access for women to register complaints related to sexual harassment at workplace. Launched to strengthen the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, SHe-Box caters to women across all employment sectors, organized or unorganized, private or public.

Features of SHe-Box

- Comprehensive coverage - The platform is accessible to all women, irrespective of their work status or sector, ensuring inclusivity in addressing workplace sexual harassment
- Direct complaint submission - Women can directly submit their complaints through the portal, which are then forwarded to the appropriate authority to take action
- Confidentiality assurance - The system is designed to protect the privacy of complainants, ensuring that personal information remains confidential
- Real-time monitoring - Through designated nodal officers, the portal enables real-time tracking of complaints, ensuring timely redressal.

The complaint registration feature in the She-Box went live on 19 October 2024, after a majority of Central Ministries and Departments onboarded the portal. Since then, the portal has received 9 complaints. The portal has been designed to serve as a central repository for both, Government as well as the private sector.



Please [Click Here](#) to read the Press Release dated 29 November 2024.



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