

GST: Transitional Provisions

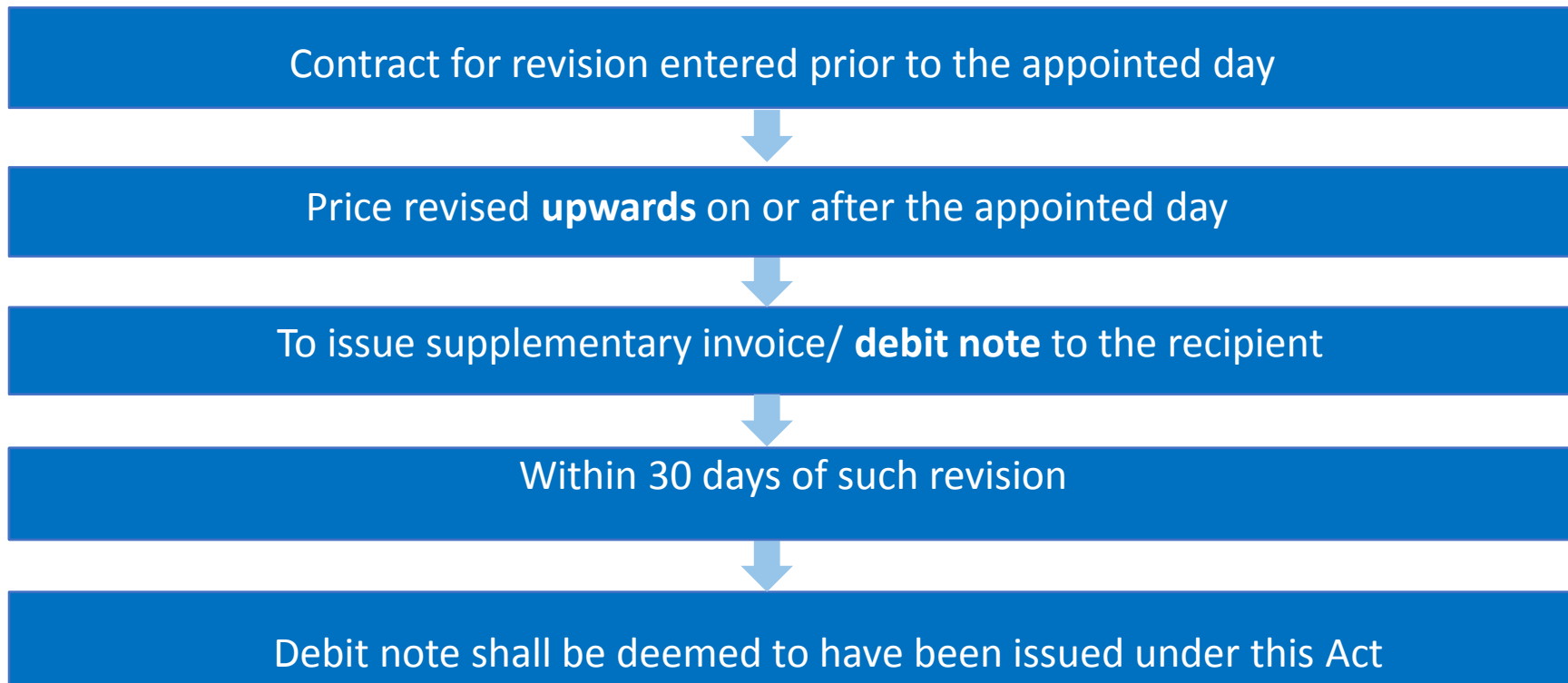
Edition 2

- Debit and Credit Notes [S.178]
- Pending Refunds [S.179 to S.181]
- Pending Assessments and Appeals [S.182 to S.185]
- Continuing Contracts [S.186 and S. 187]



Issue of Supplementary Invoices, Debit or Credit notes where Price is Revised in pursuance of a Contract

Situation A: Revision upwards



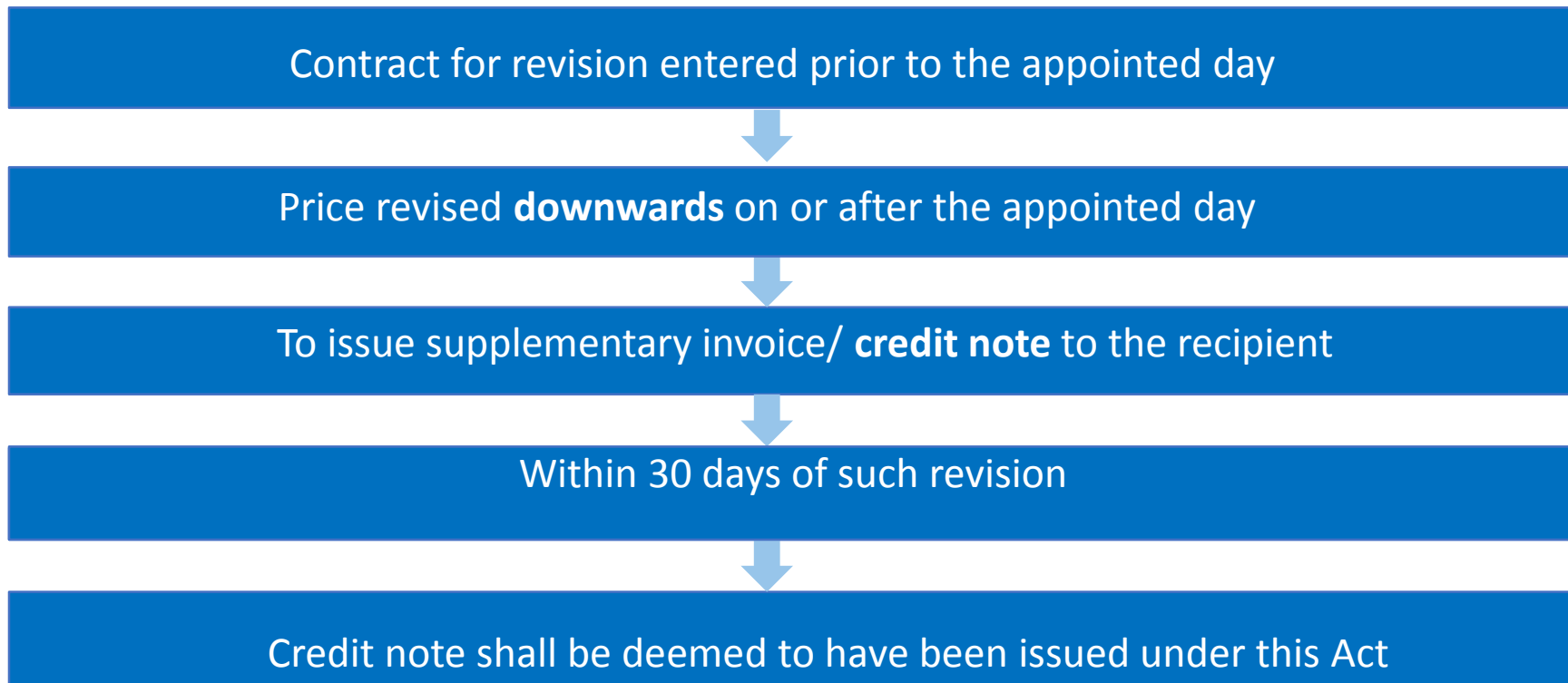
*** Appointed day shall be taken as 1st July, 2017**

How price revision will be dealt under GST:

- Suppose goods are sold in April, 2017 as per contract under current regime and service tax is charged @ 15%
- Rate of tax under GST is 18%
- A Debit Note is issued under GST i.e. after 1-July-17 for price revision upwards of Rs. 20,000/-
- Invoice should be issued within 30 days of such revision
- Such debit note is liable to tax under GST @ 18%

Issue of Supplementary Invoices, Debit or Credit notes where Price is Revised in pursuance of a Contract

Situation B: Revision downwards



Example:

- Mr. A entered into a contract for providing professional services with Mr. B on 1-1-17 for Rs. 100,000
- Mr. A decreased price of the services on 1-7-17 by Rs. 30,000
- Mr. A issued a credit note to Mr. B of Rs. 30,000/- on 15-7-17 i.e. within 30 days, so this invoice is deemed to be issued under GST
- Mr. A is allowed to reduce his output tax liability only if Mr. B has reduced his ITC corresponding to such reduction of tax liability

[Matching of reversal by the recipient may become an issue]

****Similar enabling provisions under SGST***

Pending refund claims to be disposed off under earlier law

Every claim for refund:

- filed by any person before or after the appointed day
- for refund of any amount of CENVAT credit, duty, tax or interest
- paid before the appointed day
- shall be disposed off
- in accordance with the provisions of earlier law
- and such amount shall be paid in cash
- Where any claim for refund of CENVAT credit is rejected, the amount so rejected shall lapse
- no refund shall be allowed of any amount of CENVAT credit where it is carried forward on the appointed day

****Similar enabling provisions under SGST***



Section 180

Refund claims filed after appointed day

Refund claims filed after the appointed day for goods cleared or services provided before the appointed day and exported before or after the appointed day to be disposed of under earlier law [CGST law]

Every claim for refund:

- of any duty or tax paid under any earlier law
- filed after the appointed day
- for the goods and services exported before or after the appointed day
- shall be disposed of in accordance with the provisions of the earlier law
- Where any claim for refund of CENVAT credit is rejected, the amount so rejected shall lapse
- no refund shall be allowed of any amount of CENVAT credit where it is carried forward on the appointed day



Section 181

Refunds claims filed after appointed day

Refund claims filed after the appointed day for payments received and tax deposited before the appointed day in respect of services not provided [CGST Law]

Every claim for refund-

- of tax deposited under the earlier law
- in respect of services not provided
- filed after the appointed day
- shall be disposed of in accordance with the provisions of the earlier law
- such refund shall be paid in cash



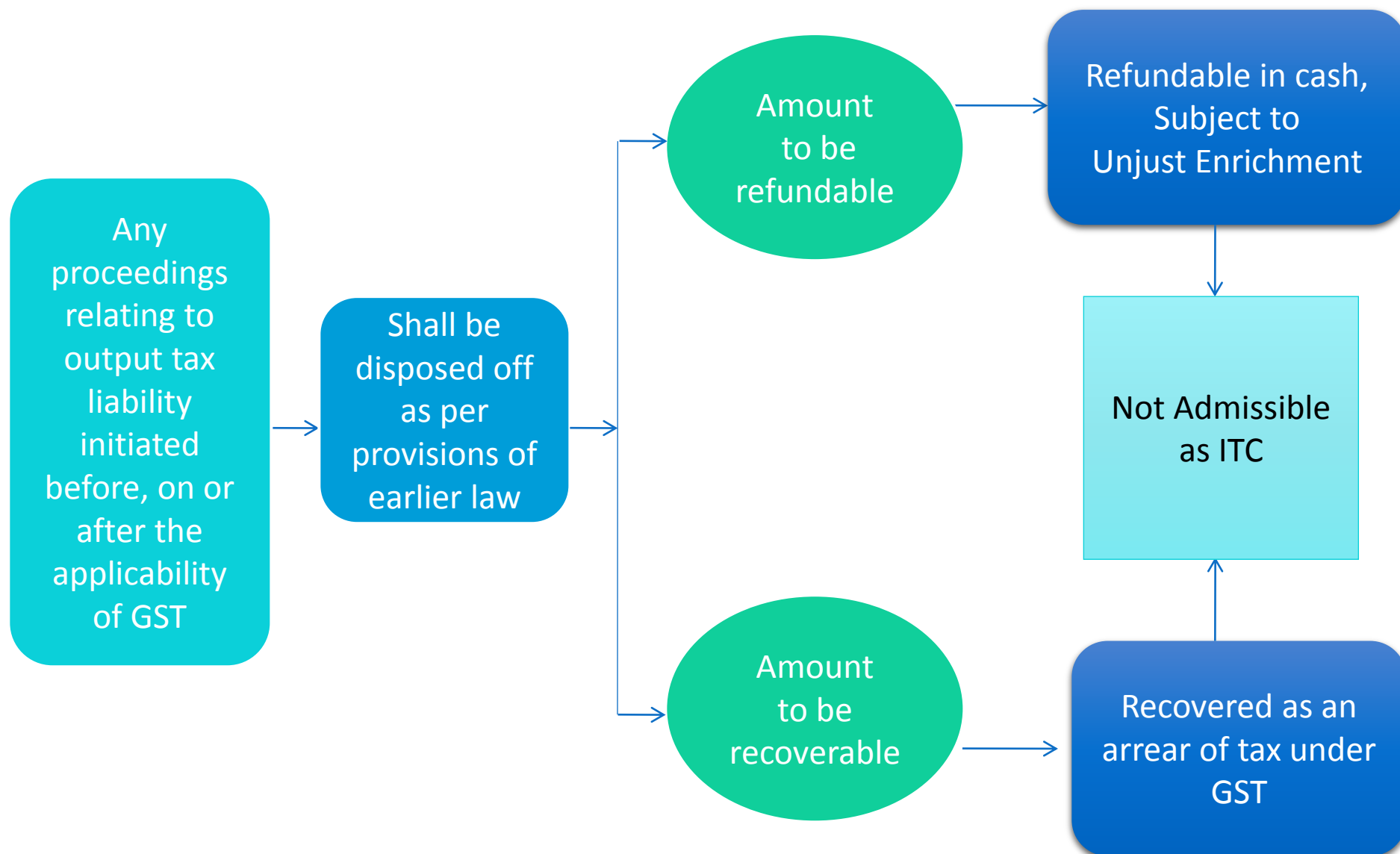
Claim of CENVAT credit to be disposed off under earlier law

Every proceeding of:

- appeal
- revision
- review
- reference
- relating to a claim of CENVAT credit
- initiated whether before, on or after the appointed day
- under the earlier law
- shall be disposed of in accordance with the provisions of earlier law
- Any amount of credit found to be admissible to the claimant
- shall be refunded to him in cash,
- and shall not be admissible as input tax credit under this Act
- No refund claim shall be allowed if such amount is claimed as carry forward on the appointed day
- Any amount becomes recoverable
- shall be recovered as an arrear of tax under this Act
- the amount so recovered shall not be eligible as input tax credit under this Act

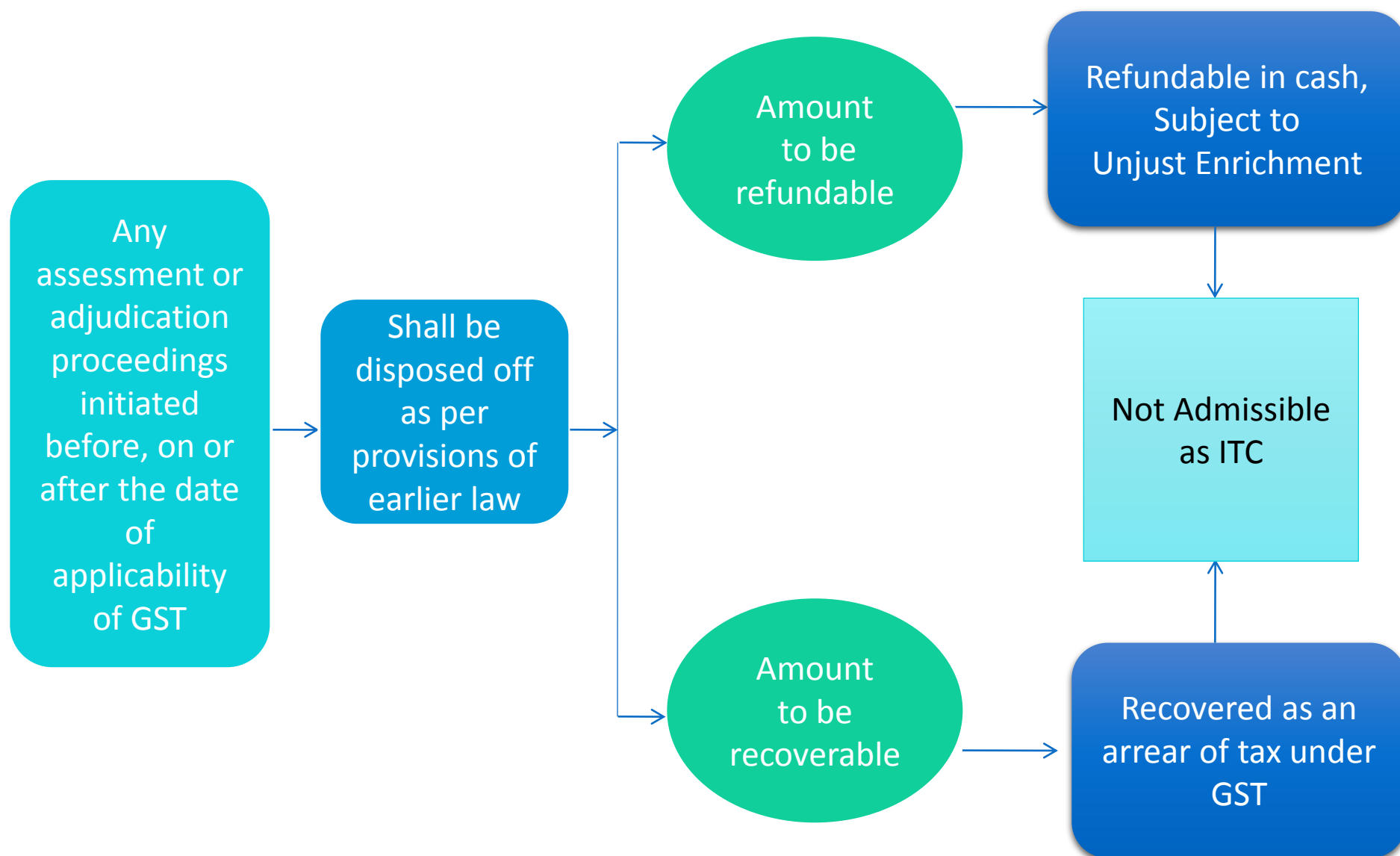
****Similar enabling provisions under SGST***

Finalization of Proceedings relating to output duty liability

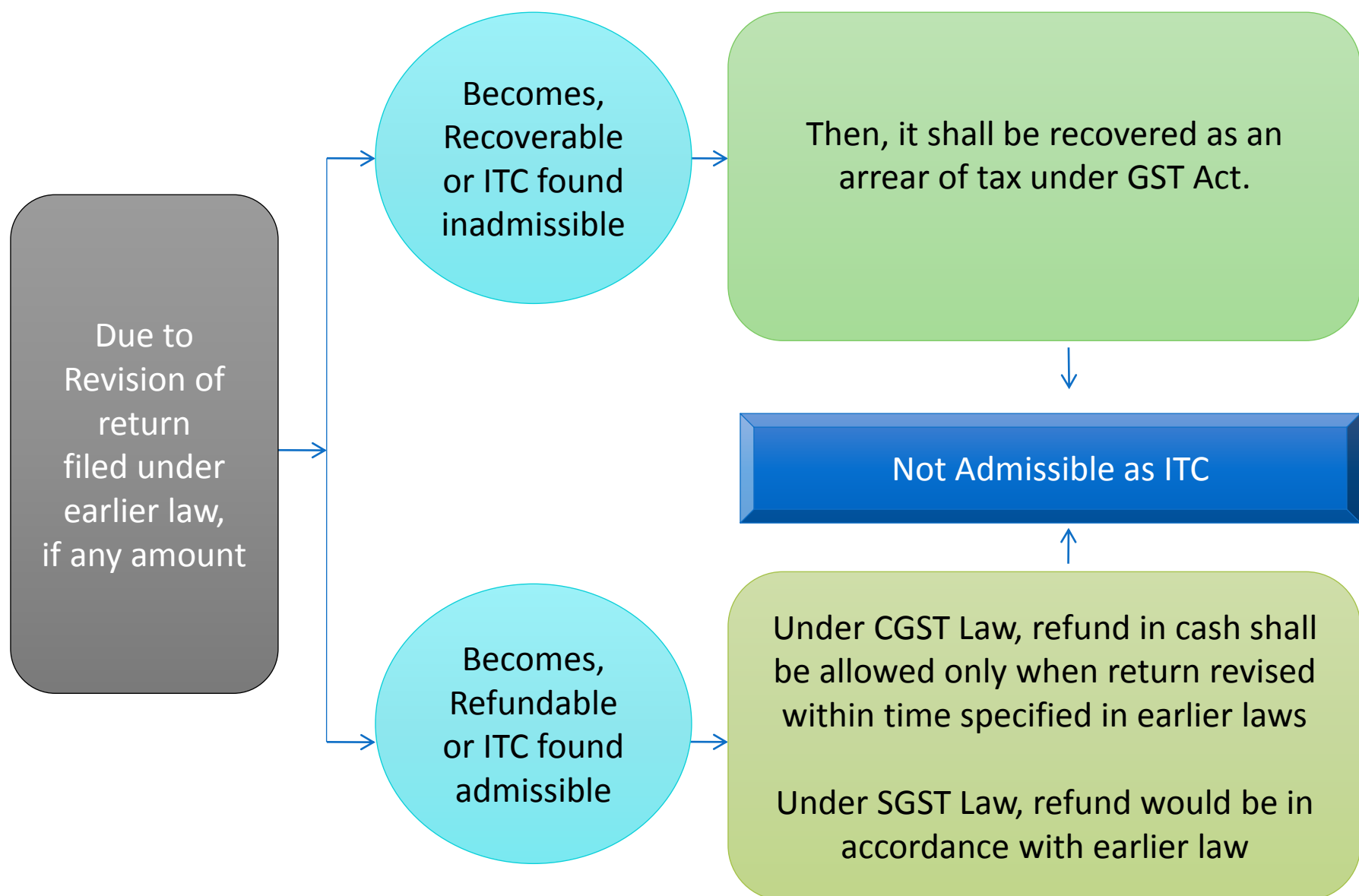


* Similar enabling provisions under SGST

Treatment of the amount recovered or refunded in pursuance of assessment or adjudication proceedings



** Similar enabling provisions under SGST*

Treatment of the Amount Recovered or Refunded pursuant to Revision of Returns

**Similar enabling provisions under SGST*

Treatment of Long term Construction/ Works Contracts

The goods and/ or services supplied:

- on or after the appointed day
- in pursuance of a contract
- entered into prior to the appointed day
- shall be liable to tax under the GST law

****Similar enabling provisions under SGST***

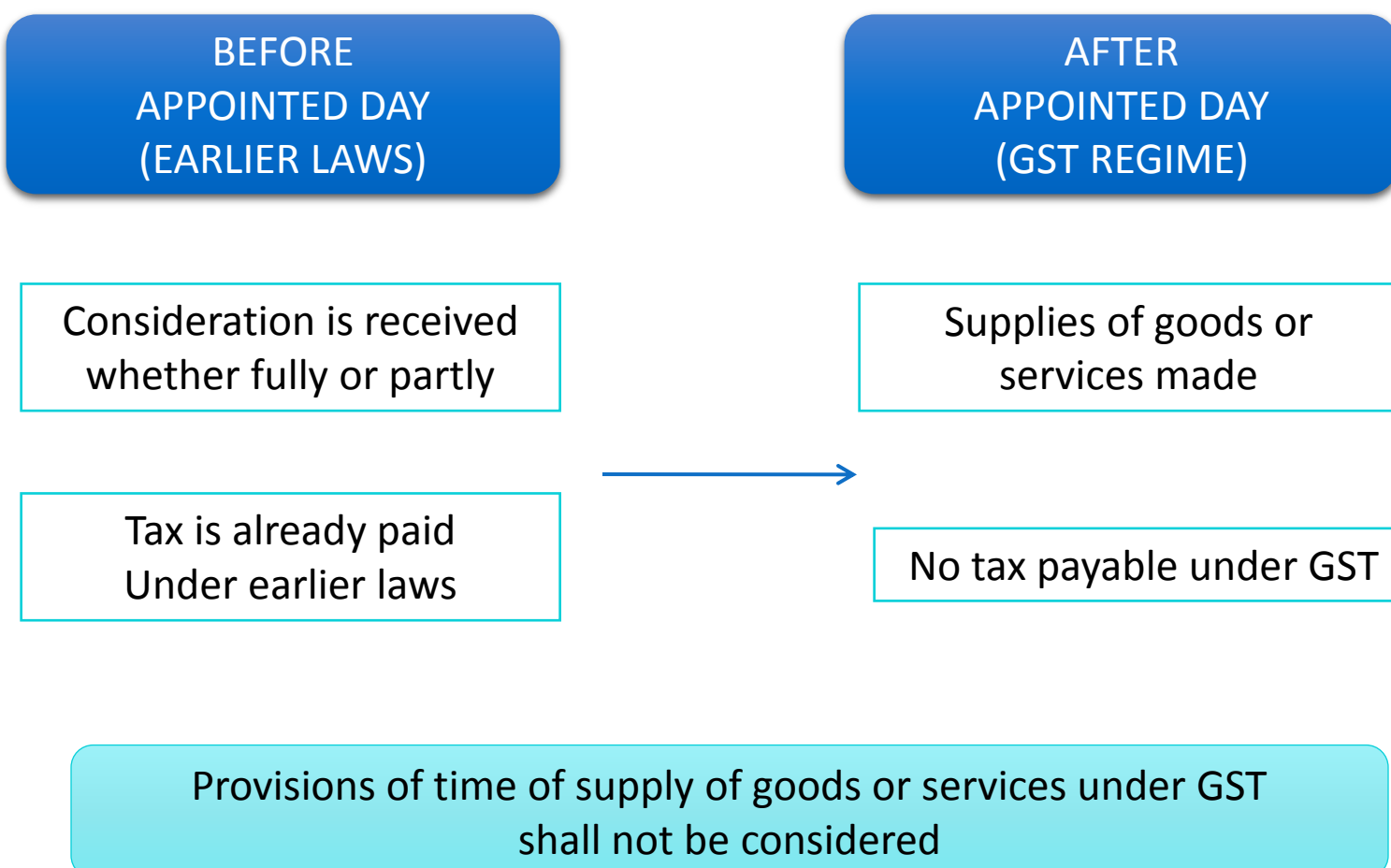


Progressive or Periodic Supply of goods or services

Notwithstanding anything contained in S.12 & S.13:

- no tax shall be payable
- on the supply of goods and/ or services
- made on or after the appointed day
- where the consideration
- for the said supply has been received prior to the appointed day, and
- the duty or tax payable thereon has already been paid under the earlier law

**Similar enabling provisions under SGST*



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