Time of supply in case of change in rate of tax under GST
(Section 14 of GST Model Law)

Section 14 of Model GST law provide for cases where there is a change in effective rate of tax in respect of services.

1) When the taxable service has been provided before change in rate of tax:

Issue of Invoice	Receipt of payment	Time of supply
After the change	After the change	Whichever is earlier
Prior the change	After the change	Issue of Invoice
After the change	Prior the change	Receipt of payment

2) When the taxable service has been provided after the change in rate in effective rate of tax

Issue of Invoice	Receipt of payment	Time of supply
Prior the change	Prior the change	Whichever is earlier
Prior the change	After the change	Receipt of payment
After the change	Prior the change	Issue of Invoice

In simple words we can say that if services were provided before the change in rate then we need to choose the earliest date of Issue of Invoice or receipt of payment. But if the services were provided after the change in rate then in that case then we will chose the event held later if any of from raising of invoice or receipt of payment held after change in rate. If both of the even held before change in rate we will chose the earliest of three.

Explanation to section 14 reads as "*For the purpose of this section, "the date of receipt of payment" shall be the date on which the payment is entered in the books of accounts of the supplier or the date on which the payment is credited to his bank account, whichever is earlier."*

But proviso to this explanation provides that:
"*Provided that the date of receipt of payment shall be the date of credit in the bank account when such credit in the bank account is after four working days from the date of change in the effective rate of tax*."

It is clear from this explanation read with proviso that:

Date of receipt	Date of payment entered in BoA	Date of Credit in BoA	Date of receipt
If within 4 days of Change in rate	Earlier	Later	Date of payment entered in Boa
	Later	Earlier	Date of receipt
If after 4 days of change in rate	Not relevant	Will always be taken as date of receipt	Date of receipt