



GST Transitional Provisions

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General Provisions

- All persons appointed by respective departments shall be deemed to have been appointed as GST officers
- CG or SG may issue orders/make rules for smooth transition to GST

Migration of existing taxpayers to GST

- On appointed day, all registered persons under earlier laws shall be given provisional RCs
 - Meaning of appointed day: the day on which section 1 (i.e. applicability) of this Act comes into effect.
- RC shall be valid for 6 months from its issue, which may be extended by Govt.

Migration of existing taxpayers to GST-contd.

- Every person to whom RC is issued, shall furnish reqd. info within 6 months
- On furnishing info, provisional RC shall be converted into final one by Govt.
- Provisional RC may be cancelled if the person fails to furnish reqd. info within given time

Migration of existing taxpayers to GST-contd.

- Provisional RC shall be deemed to have not been issued if said regn is cancelled in pursuance of an application that he was not liable for regn
- A person to whom provisional RC is issued and who is eligible to pay tax under composition scheme, may opt for that within given time

Amt. of Cenvat Credit c/f to be allowed as ITC

- A RTP, other than a composition dealer, may take credit of CCR c/f in the return for immediately preceding period before appointed day furnished under earlier law
- Credit not allowable if that amount is inadmissible as ITC under this Act

Amt. of VAT Credit c/f to be allowed as ITC

- A RTP, other than a composition dealer, may take credit of VAT credit c/f in the return for immediately preceding period before appointed day furnished under earlier law
- Credit not allowable if that amount is inadmissible as ITC under this Act

Amt. of CCR on CG not c/f to be allowed in certain cases

- A RTP, other than a composition dealer, may take credit of unavailed CCR not c/f i.r.o. CG in the return for immediately preceding period before appointed day furnished under earlier law
 - Credit not allowable unless that amount was admissible under earlier law and is also admissible as ITC under this Act
 - Unavailed CCR on CG = Aggregate CCR on CG – CCR already availed i.r.o. CG under earlier law

Amt. of ITC on CG not c/f to be allowed in certain cases

- A RTP, other than a composition dealer, may take credit of **unavailed ITC not c/f i.r.o. CG** in the return for immediately preceding period before appointed day furnished under earlier law
 - Credit not allowable unless that amount was admissible under earlier law and is also admissible as ITC under this Act
 - Unavailed ITC on CG = Aggregate ITC on CG – ITC already availed i.r.o. CG under earlier law

Credit of eligible duties & taxes i.r.o. inputs to be allowed in certain cases

- A RTP, who was engaged in mfr of exempted or non-exempted goods under CEA 1944 or provision of exempted or non-exempted services under FA 1994, shall be entitled to take credit of
 - The amount of CCR c/f in return furnished under the earlier law; and
 - The amount of CCR of eligible duties i.r.o. inputs held as stock (semi-finished or finished) relating to exempted goods or services

Credit of eligible duties & taxes i.r.o. inputs or input services in transit

- A RTP will be eligible to take credit of eligible duties and taxes i.r.o. input or input services recd. on or after appointed day (but duty or tax has been paid before appointed day), provided entry passed in BoA/cs within 30 days from appointed day
- Period of 30 days may be extended by further 30 days
- A statement needs to be furnished

Credit of VAT i.r.o. inputs in transit

- A RTP will be eligible to take credit of VAT i.r.o. input recd. on or after appointed day (but tax has been paid before appointed day), provided invoice received or entry passed in BoA/cs within 30 days from appointed day
- Period of 30 days may be extended by further 30 days
- A statement needs to be furnished

Credit of duties & taxes on inputs held in stock allowed in case of switch

- A RTP, who was paying tax under composition scheme can take credit of duties & taxes i.r.o. inputs held as stock, conditions:
 - Inputs are used for making taxable supplies
 - Person not opted for composition scheme
 - Person is eligible for ITC on such inputs
 - Such person has possession of invoice
 - Invoice is not more older than 12 months

Credit of VAT on inputs held in stock allowed in case of switch

- A RTP, who was paying tax under composition scheme can take credit of VAT i.r.o. inputs held as stock, conditions:
 - Inputs are used for making taxable supplies
 - Person not opted for composition scheme
 - Person is eligible for ITC on such inputs
 - Such person has possession of invoice
 - Invoice is not more older than 12 months

Pending refund claims to be disposed of

- Every claim for refund filed under earlier law shall be disposed of as per earlier law and amount accruing shall be paid in cash
- Where claim is rejected, the amount rejected shall lapse
- Where CCR has been c/f, no refund shall be allowed

Refund for exports before appointed day

- Every refund claim for goods or services exported before appointed day, of any duty or tax, shall be disposed as per earlier law
- Where claim is rejected, the amount rejected shall lapse
- Where CCR has been c/f, no refund shall be allowed

Claim of CCR to be disposed under earlier law

- Every appeal, revision, review etc. relating to **claim for CCR**, initiated anytime, under earlier law shall be disposed of as per earlier law
- Any amount of credit found admissible to claimant shall be paid in cash and no ITC granted for that
- No refund allowed in case CCR has been c/f under GST law

Claim of CCR to be disposed under earlier law – contd.

- If any amount of credit becomes recoverable as a result of appeal, revision etc., same shall be recovered as an arrear of tax under GST law
- No ITC shall be granted for the amount so recovered

Appeal etc. relating to **output tax** under earlier law

- Every appeal etc. relating to **output tax, interest, fine, penalty**, initiated anytime, shall be disposed as per earlier law
- If any amount becomes recoverable, it shall be recovered as an arrear of tax under GST law and will not be eligible for ITC
- If amount found to be admissible to claimant, it shall be paid in cash and it will not be eligible for ITC

Treatment of amount recovered due to revision of returns

- If any return, furnished under earlier law, is revised after appointed day, and as a result
 - any amount is found to be recoverable or
 - any amount of CCR is found inadmissible

same shall be recovered as an arrear of tax under GST law and no ITC shall be allowed.

Treatment of amount. refunded due to revision of returns

- If any return, furnished under earlier law, is revised after appointed day but within time limit specified, and as a result
 - any amount is found to be refundable or
 - any amount of CCR is found admissible

same shall be refunded in cash.

Works contracts & Periodic Supply

- GST shall be applicable on
 - Contract entered into prior to appointed day and
 - Goods and/or service supplied on or after appointed day
- No tax shall be payable on supply of goods and/or services on or after appointed day, where
 - Supply has been received prior to appointed day and
 - Duty or tax has already been paid under earlier law

Taxability of goods/ services in some cases

- Tax shall be payable i.r.o. taxable goods or services under earlier law to the extent POT i.r.o. such goods or services arose before appointed day
- ITC on account of services recd. prior to appointed day by an ISD shall be eligible for distribution as credit, even invoice for such service recd. on or after appointed day

Tfr. Of unutilized CCR by taxable person having centralized regn.

- When a taxable person, having centralized regn. under earlier law, has obtained regn. under GST law, such person may take credit of **CCR c/f** in the return for immediately preceding period before appointed day furnished under earlier law
- Credit not allowable if that amount is inadmissible as ITC under this Act

Tfr. Of unutilized CCR by taxable person having centralized regn.-contd.

- Such credit may also be tfrd. to RTPs having same PAN for which centralized regn. was taken

Tax paid on goods/ capital goods lying with agents

- If any goods/capital goods belonging to principal are lying with agent on appointed day, agent can take credit on such goods, conditions:
 - Agent is a RTP
 - Both principal and agent declare the details of stock lying with agent within specified time
 - Invoice for such goods is not more older than 12 months
 - Principal has either reversed or not availed ITC on such goods

Goods sent on approval basis

- Where any goods are sent on approval basis, not earlier than 6 months before appointed day, are not approved by buyer, then no tax shall be payable if goods are returned within 6 months from appointed day
- Aforesaid period may be extended by further 2 months
- Tax shall be payable by person returning the goods after a period of 6 months or extended period

Deduction of tax at source

- Where a supplier has supplied goods i.r.o. which tax was to be deducted at source under earlier law, no tax shall be deducted by deductor where payment to supplier is made on or after appointed day
- Where CCR on input services reversed due to non payment of consideration within 3 months, such credit can be reclaimed provided that taxable person made payment within 3 months from appointed day.

*Thank
You*