



## Tax alert: Effective date of GST related amendments proposed through Finance (No. 2) Act, 2024, notified

### 30 September 2024

The Central Board of Indirect Taxes and Customs (CBIC) has issued a notification no. 17/2024 – Central Tax dated 27 September 2024 to provide the effective date of GST related amendments introduced through the Finance (No. 2) Act, 2024 (FA 2024).

### In a nutshell



Provisions made effective from 27 September 2024:

- Eligibility to avail input tax credit (ITC) for FY 2017-18 to 2020-21 till 30 November 2021
- Sunset clause for anti-profiteering authority



Provisions made effective from 1 November 2024:

- Enabling provisions for waiver of GST not paid/short-paid due to industry practice
- Waiver of interest and/or penalty relating to demands raised for prescribed cases for FY 2017-18 to 2019-20



The effective dates would now pave way for relevant procedures to be followed by taxpayers



Scroll down to read the detailed alert

## Effective date of GST related amendments made through Finance (No. 2) Act, 2024 notified

The table below captures the key amendments made in the GST law in the Union Budget 2024, through the Finance (No. 2) Act, 2024 (FA 2024) and the date on which the same will come into effect.

### Amendments effective from 27 September 2024

Relevant section of FA 2024	Relevant section of Central Goods and Services Tax Act, 2017 ('CGST Act')	Brief of amendment
118	16 (Eligibility and conditions for availing Input Tax Credit)	<ul style="list-style-type: none"> <li>Specific provision inserted to provide that in respect of invoice/ debit note pertaining to FY 2017-18 to 2020-21, ITC can be availed in any return filed up to 30 November 2021</li> <li>Specific provision inserted to provide for time limit to avail ITC in case of revocation of cancelled registration</li> </ul>
142	109 (Constitution of Appellate Tribunal and Benches thereof)	<ul style="list-style-type: none"> <li>Scope of Principal bench of GST Appellate Tribunal expanded to include matters pertaining to anti-profiteering</li> </ul>
148	171 (Anti-profiteering)	<ul style="list-style-type: none"> <li>Enabling provisions provided for notifying the date from which the Authority for Anti-Profiteering shall not accept applications regarding anti-profiteering</li> </ul>
150	No corresponding provision	<ul style="list-style-type: none"> <li>Amendment is made to provide that no refund shall be made if any tax is paid or ITC has been reversed, or if section 118 of FA 2024 has been in force at all times.</li> </ul>

### Amendments effective from 1 November 2024

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
114	9 (Levy and collection)	<ul style="list-style-type: none"> <li>'Un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption' to be out of ambit of GST.</li> </ul>
116	New section 11A introduced	<ul style="list-style-type: none"> <li>New section inserted to empower Government to waive GST in case of short payment/ non-payment as a matter of industry practice</li> </ul>
117	13 (Time of supply of services)	<ul style="list-style-type: none"> <li>Time of supply of services where invoice is required to be issued by the recipient in respect of supplies subject to reverse charge, to be the date of issue of invoice by the recipient</li> </ul>
119	17 (Apportionment of credit and blocked credits)	<ul style="list-style-type: none"> <li>ITC to be restricted in respect of tax paid under section 74 of the CGST Act (in case of fraud/ wilful misstatement/ suppression of facts) for the period till FY 2023-24</li> </ul>

		<ul style="list-style-type: none"> <li>Restriction on availing ITC in respect of tax paid under Sections 129 (detention of goods) and 130 (confiscation of goods) removed</li> </ul>
122	31 (Tax invoice)	<ul style="list-style-type: none"> <li>Enabling provision introduced to provide time limit to issue self-invoice in case of supplies subject to reverse charge</li> </ul>
124	39 (Furnishing of returns)	<ul style="list-style-type: none"> <li>Provision introduced to provide for filing of TDS return on monthly basis, whether any TDS was deducted in a particular month or not</li> </ul>
128	54 (Refund of tax)	<ul style="list-style-type: none"> <li>Restriction on availment of refund of ITC or IGST paid on outward supply, in case of zero-rated supply of goods, where the goods are subjected to export duty</li> </ul>
135	70 (Power to summon persons to give evidence and produce documents)	<ul style="list-style-type: none"> <li>Enabling authorised representative to appear in summons proceedings</li> </ul>
136	73 (Determination of tax, pertaining to the period up to FY 2023-24, not paid/ short paid/ erroneously refunded/ ITC wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts)	<ul style="list-style-type: none"> <li>Provisions to apply only for the determination of tax for the period upto FY 2023-24</li> </ul>
137	74 (Determination of tax, pertaining to the period up to FY 2023-24, not paid/ short paid/ erroneously refunded/ ITC wrongly availed or utilised by reason of fraud or any wilful misstatement or suppression of facts)	<ul style="list-style-type: none"> <li>Provisions to apply only for determination of tax for the period upto FY 2023-24</li> </ul>
138	New section introduced for common adjudication	<ul style="list-style-type: none"> <li>Section 74A inserted to provide common adjudication provisions and time limit of 42 months for cases, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts from FY 2024-25 onwards</li> </ul>
141	107 (Appeals to Appellate Authority)	<ul style="list-style-type: none"> <li>Upper limit of pre-deposit towards CGST for filing appeal before the First Appellate Authority reduced to INR 20 crores from INR 25 crores</li> </ul>
143	112 (Appeals to Appellate Tribunal)	<ul style="list-style-type: none"> <li>Enabling provision introduced for Government to notify the date from which limitation period</li> </ul>

		<p>for filing appeal before GST Appellate Tribunal shall start.</p> <ul style="list-style-type: none"> <li>The limit of pre-deposit towards CGST for filing appeal before the GST Appellate Tribunal reduced to 10% of the disputed amount involved, from 20%. Also, maximum amount payable towards pre-deposit under CGST reduced to INR 20 crores from INR 50 crores</li> </ul>
146	New Section introduced for amnesty scheme	<ul style="list-style-type: none"> <li>Section 128A inserted to provide conditional waiver of interest and penalty in case of demands raised under prescribed scenario for the period from 1 July 2017 to 31 March 2020.</li> <li>No refund to be granted for interest and penalty already paid</li> </ul>
147	140 (Transitional arrangements for input tax credit)	<ul style="list-style-type: none"> <li>Transitional ITC can be distributed on services received prior to appointed date (1 July 2017) in respect of which invoice was received by the Input Service Distributor prior to the said date</li> </ul>
149	Schedule III (Activities or transactions which shall be treated neither as a supply of goods nor a supply of services)	<ul style="list-style-type: none"> <li>Following activities have been prescribed as transactions which shall neither be treated as supply of goods nor as supply of services: <ul style="list-style-type: none"> <li>Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer, subject to certain conditions;</li> <li>Services by insurer to the reinsurer for which, ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to certain conditions</li> </ul> </li> </ul>

Corresponding amendments made in Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017, have also been notified to come into effect from 1 November 2024.

### Comments

Notification to give effect to the amendments made by FA 2024 were much awaited by the industry, for example provisions pertaining to extension of time limit for availment of ITC, amnesty scheme for conditional waiver of interest and penalty, the power of the government to regularize industry practice of non-payment or short-payment of GST etc.

As regards amnesty scheme for waiver of interest and penalty, presently the scheme covers the period up to FY 2019-20. In the 53rd GST Council meeting held on 22 June 2024, there was a discussion that the scheme could be extended for FY 2020-21 as well. However, considering that the demands for the said FY are not yet finalized, the matter appears to have been deferred.

# Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.