



GST Update

Weekly Update
26.08.2017

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 19.08.2017. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

Rate Changes



- GST Council in its meeting dated 05th August, 2017 had taken various decisions. Notifications issued to give effect to the decisions
- Notifications No. 20 to 23 /2017-Central Tax (Rate) dated 22nd August, 2017

Amendment in Notification No. 11/2017-Central Tax (Rate)



- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification20-CGST.pdf>
- **Construction Services**
- Rate on select services reduced from 18% to 12%
 - Services supplied to Government - Canals, Irrigation, Dams, Water supply/treatment; Historical monuments etc.
 - Road, Bridge, Tunnel, JNNURM, etc.
 - Railways
 - A single residential unit otherwise than as a part of a residential complex;
 - Affordable Housing; Housing scheme of state government
 - Post-harvest storage infrastructure

Amendment in Notification No. 11/2017-Central Tax (Rate)



- GST Rate on Transport of passengers by Motor-cab OR Renting of motor cab, where the cost of fuel is included in the consideration charged from the service recipient.
 - Option to pay 12% with ITC brought in;
 - 5% without ITC, OR
 - **12% with ITC**
- GTA Services
 - Option to pay 12% with ITC brought in;
 - 5% without ITC, OR
 - **12% with ITC**



Amendment in Notification No. 11/2017-Central Tax (Rate)



- Job Work in relation to Textiles
- Rate streamlined on Job work relating to all textile products from 18%/ 5% to uniform 5%
- The description for 5% job work for heading 9988 i.e. (b) Textile yarns (other than of man-made fibres) and textile fabrics; replaced by **“(b) Textiles and textile products falling under Chapter 50 to 63 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);**



Amendment in Notification No. 11/2017-Central Tax (Rate)



- Job Work for following Printing Services - Rate reduced from 18% to 5%
 - Services by way of any treatment or process on goods belonging to another person, in relation to-
 - (a) printing of newspapers;
 - (b) printing of books (including Braille books), journals and periodicals.



Amendment in Notification No. 11/2017-Central Tax (Rate)



- Other manufacturing Services
- Rate reduced from 18% to 5% in following services
 - (i) Services by way of printing of newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.



Amendment in Exemption Notification No. 12/2017-Central Tax (Rate)



- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification21-CGST.pdf>
- Exemption from GST extended to following:
- Services provided by and to FIFA and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 World Cup 2017 to be hosted in India.
 - Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U- 17 World Cup 2017.
- Service provided by Fair Price Shops to State Governments or Union territories by way of sale of kerosene, sugar, edible oil, etc. and wheat, rice and coarse grains under PDS

Amendment in Notification No. 13/2017-Central Tax (Rate)



- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification22-CGST.pdf>
- GTA Services
 - Option of 12% with ITC brought under forward charge; Notn No. 13/2017 on RCM amended to remove GTA who pay GST at the rate of 12%;
 - Option of 5% without ITC remains under reverse charge mechanism (RCM)
- Explanation about LLP added in the Notn
 - e) A “Limited Liability Partnership” formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (6 of 2009) shall also be considered as a partnership firm or a firm.”.



Amendment in Notification No. 17/2017-Central Tax (Rate)



- <http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification23-CGST.pdf>
- Section 9(5)- categories of services, the tax on intra-state supplies is to be paid by the electronic commerce operator
- Following Services added in the category
 - **Services by way of house-keeping, such as plumbing, carpentering etc., except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act**



Selling of Space for advertisement in print media



- <http://www.cbec.gov.in/resources//htdocs-cbec/press-release/Selling-Space-advertisement-print-media.pdf>
- Selling of Space for advertisement in print media
- GST leviable - 5% under heading 9983
- Advertisement Agency may work on Principal to Principal basis or on Principal to Agent basis

Selling of Space for advertisement in print media.... (Contd.)



- Principal to Principal basis
- If the advertisement agency works on principal to principal basis, that is, buys space from the newspaper and sells such space for advertisement to clients on its own account, that is, as a principal, it would be liable to pay GST @5% on the full amount charged by advertisement agency from the client.
- Illustration: Newspaper sells a unit of space for Rs. 85/- to agency which in turn sells the same for Rs. 100/-. Newspaper has to pay GST on Rs. 85/- i.e. Rs.4.25/-. The agent has to pay GST of Rs. 5/- on Rs. 100/- and may utilise the credit of Rs. 4.25/-.



Selling of Space for advertisement in print media... Contd



- Commission basis: advertisement agency sells space for advertisement as an agent of the newspaper on commission basis, it would be liable to pay GST@ 18% on the sale commission it receives from the Newspaper. ITC of GST paid on such sale commission would be available to Newspaper.
- Agency sells a unit of space on account of newspaper for Rs. 100/- and GST of Rs. 5/- is paid by the newspaper. The agency gets a commission of Rs. 15% on which GST of 18% i.e Rs. 2.70 is leviable. However, newspaper can get the ITC of this amount.



Selling of Space for advertisement in print media.... (Contd.)



- Composite Supply
- If the advertisement agency supplies any service other than selling of space for advertisement, such as designing or drafting the advertisement, and such supply is not a part of any composite supply, the same would be liable to tax @18%. If such supplies are part of any composite supply, the rate applicable for the principal supply shall apply. 5.
- Therefore, everything depends on the terms of the contract between the newspaper, advertisement agency and the client.

Any ISSUES/ queries?



- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- <https://twitter.com/GSTNACIN>



Any ISSUES/ queries?



- <https://cbec-gst.gov.in/>
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THANK YOU