

The CBIC has issued notification no. 18/2022-Central Tax on 28<sup>th</sup> September 2022 to give effect to the Sections 110 to 114 of Finance Act 2022 except clause (c) of section 110 and section 111, of the said Act.

A brief summary of the notification has been consolidated below for quick reference. The same will come into effect from 1<sup>st</sup> October, 2022.

### 1. Amendment in Section 29 of Central Goods and Services Tax Act, 2017- Cancellation [or suspension] of registration

The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where-

- a person paying tax under section 10 has not furnished the return **for a financial year beyond three months from the due date of furnishing the said return;**
- any registered person, other than a person specified in clause (b), has not furnished returns **for such continuous tax period as may be prescribed;**

### 2. Section 34(2) of CGST Act,2017 – Credit and Debit Notes

A registered person can declare the credit note in the return for the month during which such credit note has been issued but not later than **“the thirtieth day of November”** following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier.

Therefore, a credit note pertaining to a particular Financial Year can be issued and declared up to 30<sup>th</sup> November of that Financial Year.

### 3. Section 37 of CGST Act,2017- Furnishing details of outward supplies

- The first proviso of sub-section (1) of the above-mentioned section has been **omitted** which has been stated below-  
Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period.
- The rectification or error or omission in the details of outward supplies shall not be allowed after **“the thirtieth day of November”** following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.
- Sub-section (4) has been inserted that has been stated below-  
“(4) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods.”

#### **4. Section 38 of CGST Act, 2017- Furnishing details of inward supplies**

The sub sections (1) and (2) has been substituted which has been provided below-

“38. (1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an autogenerated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub-section (1) shall consist of—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37—

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said subsection during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed.”

#### **5. Section 39 of CGST Act, 2017- Furnishing of returns**

(5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically,

within “**thirteen**” days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

(9) .....Provided that no such rectification of any omission or incorrect particulars shall be allowed after “**the thirtieth day of November**” following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.

**6. Section 41 of CGST Act, 2017- Claim of input tax credit and provisional acceptance thereof**

**The following has been substituted-**

“41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.

(2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may re-avail the amount of credit reversed by him in such manner as may be prescribed.”.

**7. Sections 42, 43 and 43A of the Central Goods and Services Tax Act has been omitted i.e. Matching, reversal and reclaim of input tax credit and reclaim of reduction in output tax liability.**

**8. Section 54 of CGST Act, 2017- Refund of Tax**

“(2) A specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any other person or class of persons, as notified under section 55, entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such form and manner as may be prescribed, before the expiry of “**two years**” from the last day of the quarter in which such supply was received.”

**The relevant date in case of zero-rated supply** to a Special Economic Zone developer or a Special Economic Zone unit **has been specified by inserting an Explanation provided below-**

“(ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;”.

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