



A K G V G & Associates

Chartered Accountants

Delivering Excellence

GST Insight

Volume IV

29th December, 2016

Coverage:

- GST News and Updates
- Retain or Refrain differential duty on mobile phones under GST
- FAQ on provisional registration under GST

Assembled & Edited by:

GST Team



AKGVG & Associates
Chartered Accountants

(Delhi | Gurgaon | Mumbai | Ahmedabad | Bangalore | Chennai)

Head Office: 307, Pearls Corporate, Mangalam Palace, Sector -3, Rohini,
New Delhi - 110085

Visit us on www.akvg.com

For more info:

E-mail us at info@akvg.com

Ph: +91 9811118031, +91 9818330516, +91 9818314719

GST UPDATES AND NEWS

GST Council moves a step closer to finalising draft laws

Source – The Hindu
Date –23rd December, 2016
[\(Click here to read more\)](#)

The Goods and Services Council has moved a significant step closer to finalising the draft Central GST and State GST laws that must be passed in Parliament — along with two other laws — to bring GST into implementation, Finance Minister Arun Jaitley announced on Friday. The CGST and SGST laws, a total of 197 provisions and five schedules, have been approved,” Mr Jaitley said during a press conference following the completion of the Seventh GST Council meeting on Friday. “The legally vetted copy of the drafts will be circulated to the states. Only issues of dual control and cross empowerment are left.”

“So, if I were to list the residual issues left for the next meeting, then they are the Interstate GST law, the issues of dual control and cross empowerment, and the approval of the legally vetted language,” Mr Jaitley said.

The issue of dual control and the all important IGST legislation will be taken up at the next meeting on January 3-4.

About 75 per cent of targeted 60,000 officers trained for GST

Source – The Indian Express
Date –25th December, 2016
[\(Click here to read more\)](#)

National Academy of Customs, Excise and Narcotics (NACEN) has already trained about three-fourth of the targeted 60,000 field officials who would be instrumental in implementing the new indirect tax regime. NACEN data further stated that 2,060 ‘trainers’ have been trained against the target of 1,600. Similarly 310 ‘master trainers’ have been skilled, thus surpassing the target of 300. As many as 36 officers from the Comptroller and Auditor General (CAG) to have been imparted the necessary training. CBEC officials have already been deputed to the GST Network, the IT backbone of the new indirect tax regime.

GSTN on track to get taxpayers on board

Source – The Business Standard
Date –21st December, 2016
[\(Click here to read more\)](#)

Despite uncertainty over the goods and services tax (GST) roll-out, the information technology backbone GST Network (GSTN) has initiated the process to migrate over eight million taxpayers on its system. The enrolment drive kicked off last month with Puducherry and Sikkim, and covered 19 more states and Union territories, including Maharashtra, Goa, Chhattisgarh, Gujarat, Jharkhand and Madhya Pradesh.

CBEC releases FAQs on GST in regional language

Source – CBEC

[\(Click here to read more\)](#)

Central Board of Excise and Customs had released Frequently Asked Questions (FAQs) in English on 27.09.2016. For the benefit of trade and to achieve wide reach, s FAQs are now released in Hindi and 7 regional languages – Assamese, Bangla, Gujarati, Punjabi, Kannada, Malayalam and Telugu.

Moglix launches GST filing solution

Source – The Economics Times

Date –15th December, 2016

[\(Click here to read more\)](#)

Business-to-business ecommerce firm Moglix has come up with a solution that will allow mid to large sized manufacturing companies file and reconcile their goods and services tax (GST) payments. The GST technology will connect into the GSTN (GST network) system and enable companies to run a GST compliant supply chain.



Last date for GST enrollment for Uttar Pradesh, Jammu and Kashmir, Delhi, Chandigarh, Haryana, Punjab, Uttarakhand, Himachal Pradesh & Rajasthan is **31.12.2016**

Whereas, **enrollment** will **commence** for Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh from **01.01.2017**.

On the other hand, enrollment will also start for taxpayer who are registered under **Central Excise/ service tax but not registered under state VAT** from **01.01.2017**.

Retain or Refrain Differential Duty on mobile phones under GST



In the last Budget, the finance ministry proposed a concession and announced 1% excise duty (output tax on manufactured goods) on phones manufactured in India. But, phones that are imported were announced to be levied 12.5% excise duty. Besides, all components used for manufacturing mobile phones in India were exempted from customs duty. So, the differential duty structure — tax on imported mobile devices is 11.5% more currently than that on locally made ones.

Mobile phone manufacturers were among the first to respond to the Prime Minister's Make in India call, making investments in local assembly facilities. Value of local production soared nearly threefold to Rs 54,000 crore in 2015-16 from Rs 18,900 crore in 2014-15, after a 29% on-year drop the year before. The change happened after the government imposed higher duties on imports of fully made phones compared with those made locally. ([Click here to read more](#))

**Industry's demand :
Retain differential duty under
GST**

Source – The Economic Times
Date 12th November, 2016
([Click here to read more](#))

Mobile phone manufactures have approached the finance ministry seeking continuation of the differential duty structure and the benefits that come with it, which they fear would become a casualty when the goods and services tax comes into effect. “We look forward to your support in establishing the dispensation in GST and clearing the principle of duty differential in the upcoming GST regime,” the Indian Cellular Association wrote to Hasmukh Adhia. **Industry plans to suggest that the states levy a GST of 5% across country.**

If the duty differential is not continued, it may also threaten the proposed Phased Manufacturing Programme (PMP) that aims to make 1.2 billion mobile phones –worth Rs 15 lakh crore by 2025-26 – potentially employing 5.8 million people.

**Government contention:
Retaining differential CVD will
be critical**

Source – Financial Express
Date 03rd May, 2016
[\(Click here to read more\)](#)

Since GST is a destination-based tax on consumption, it will not be possible for states to continue to give the VAT exemptions they have given today. And since the GST will subsume all taxes, the excise/CVD advantage given by the Centre to local manufacturers will also be difficult to retain — though the Centre can keep the GST rate lower for mobile phones as compared to the standard rate, this will apply to both imports as well as local manufactures.

Expert opinion

Source –Economic Times
Date 26th November, 2016
[\(Click here to read more\)](#)

“If there is no assurance by the government that duty differential on mobile phones will be continued in the GST regime, there is a possibility of a serious setback to Make in India for mobile phones,” said Bipin Sapra, an indirect tax expert at EY. Any future investments potentially being planned by foreign players may also not come to India, he added.

Senior officials from telecom and electronics and IT departments had earlier said that policy and regulatory framework would be supportive to the industry, seeking to position India as an emerging global hub for manufacturing of mobile phones. However, a final word from the government on the rates is awaited.

FAQ's on Provisional Registration under GST

Under the on-going process of Provisional Registration under GST, a lot of issues are arising, some of which are resolved here under:

Q. Is there a concept of deemed enrolment under GST?

A. No. There is no deemed enrolment under GST. All the taxpayers registered under any of the Acts, are expected to visit the GST Common Portal and enroll themselves at the GST Common Portal.

Q. Is there a fee or charge levied for the enrolment under GST?

A. No. There is no fee or charge levied for the enrolment of a taxpayer under GST.

Q. Are existing tax payers required to enroll separately with Central and State authorities under GST?

A. No, any existing taxpayer who wants to seek enrolment under the GST Act needs to apply at the GST Common Portal. Enrolment under the GST is common for both Central GST and the State GST. There will be common registration, common return and common Challan for Central and State GST.

Q. For login to the GST Common Portal, can I use the username and password which I use to login as State Registrant?

A. No, you cannot use the username or password that you use to login to the State VAT Portal.

For the first time login to the GST Common Portal, you need to provide the username and password that you received from the State VAT or Centre Tax Department. For subsequent login, you need to create a username and password during enrolment at the GST Common Portal. You can then use the username and password that you created to login at the GST Common Portal.

Q. Whether details of all registrations (VAT, Service tax, Excise, Entry Tax, Luxury Tax & Entertainment tax) is required to be given or only VAT registration details are to be given?

A. Yes, details of all registrations along with CIN number (where applicable) are required to be furnished under "Business Details".

Q. How many bank account details are required to be furnished?

A. Minimum 1 and maximum 10 bank account details can be furnished. Details of dormant accounts and accounts which are closed during the year are not required to be provided. However, details of all operative bank accounts must be submitted subject to maximum limit of 10 bank accounts.

Q. I have a principal place of business in Delhi and a warehouse in Delhi and also in Rajasthan. Should I apply for separate registrations for all these?

A. In case a taxable person has more than one business premises in a state, single registration is required for that particular state. In case multiple business premises are there in multiple states, separate registration for each state is required to be done.

Therefore, in the above case, single provisional registration is required for multiple business premises (principal place of business and warehouse) in Delhi. However, separate provisional registration is required for business premises (warehouse) in Rajasthan following the same procedure as for Delhi GST provisional registration.

Q. I am a manufacturer of goods. I pay service tax also as a service recipient under Reverse Charge only. Whether I should furnish my details as service recipient?

A. Under the head 'Details of principal place of business', a separate column for 'Nature of business activity being carried out at above mentioned premises' is there under which there are 13 categories. From those categories, select 'Factory/Manufacturing' and 'Service Recipient'. Do not select 'Service Provider' if you are not providing any services from such premises.

Feedback/Queries can be sent to info@akvg.com

Disclaimer: The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

AKGVG & Associates, a Chartered Accountants firm, is providing complete solution to professional service requirements.

**"We transform by what we
read"**

Thank You for Reading!