

INDIA JURIS

INDIAN CENTRAL BOARD OF EXCISE AND CUSTOMS CLARIFIES GOODS AND SERVICES TAX (GST)

Central Board of Excise and Customs (CBEC), under the Ministry of Finance, Government of India has released a Booklet containing Frequently Asked Questions (FAQs) relating to Goods and Services Tax (GST) on 21st September 2016. These FAQs cover issues like valuation, registration, payment, Input Tax Credit, scope and time of supply, refunds, appeals, advance ruling, seizure, arrest, penalties etc. The FAQ will serve as a training tool to help the officers and public to get acquainted with the Model GST law.

Below are few of the main clarifications covered under FAQs issued:

- GST will not apply on commodities like alcohol for human consumption, Electricity & Petroleum Products viz. petroleum crude, high speed diesel, motor spirit (petrol), natural gas and aviation turbine fuel. The existing taxation system (VAT & Central Excise) will continue in case of these commodities.
- A dual type of GST will be levied with the Centre and States simultaneously with a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services would be called as Central GST (CGST) and GST to be levied by the States would be called the State GST (SGST). Integrated GST (IGST) will also be levied by Centre on every inter-state supply of goods and services.
- The rates of CGST and SGST would be jointly decided by the Centre and States. The rates would be notified on the recommendations of the GST Council.
- Under the GST regime, tax will be payable by the taxable person on the supply of goods and/or services. Liability to pay tax will arise when the taxable person crosses the threshold exemption, i.e. Rs.10 lakhs (Rs. 5 lakhs for NE States) but in certain specified cases the taxable person will be liable to pay GST even though he has not crossed the threshold limit.
- A Special Purpose Vehicle called the Goods and Service Tax Network (GSTN) has been set up to cater to the needs of GST. The GSTN shall provide a shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders for implementation of GST. The main functions of the GSTN include: facilitating registration; forwarding the returns to Central and State authorities; computation and settlement of IGST; matching of tax payment details with banking network; providing analysis of tax payers' profile; and reclaim of

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In this issue:

- **INDIAN CENTRAL BOARD OF EXCISE AND CUSTOMS CLARIFIES GOODS AND SERVICES TAX (GST)**

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