

# THE POWER OF BEING UNDERSTOOD

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**Newsflash: Clarification regarding availability of transitional credit in relation to GST**

Concerns had been raised about the “form” for claiming transitional input tax credit not being available on the GSTN website. The said form is expected to be available on the GSTN website from 21 August 2017. In view of the same, a small window of opportunity is being given to all taxpayers.

The Government, on the recommendations of the GST Council has specified conditions for furnishing the return in Form GSTR- 3B electronically for the month of July 2017 for such registered persons. In the said regard, Notification No 23/2017-Central Tax dated 17 August 2017 has been issued.

1. The Key Highlights of the said notification are as under:

Class of registered persons	Last date for furnishing of return in FORM GSTR-3B	Conditions
Registered Persons entitled to avail transitional input tax credit <b>but opting not</b> to File FORM GST TRAN-1 on or before the 28 August 2017	20 August 2017	-
Registered Persons entitled to avail transitional input tax credit and opting to file FORM GST TRAN-1 on or before the 28 August 2017	28 August 2017	<ol style="list-style-type: none"> <li>Such class of registered persons will have to compute the tax payable for the month of July 2017 and deposit the same by 20 August 2017.</li> <li>Filing of form GST TRAN-1 before filing of form GSTR-3B</li> <li>In case of shortfall in the amount already paid vis-à-vis the amount payable on submission of Form 3B, the same will have to be paid with interest @ 18% for the period between 21 August 2017 till the date of such deposit of differential amount.</li> </ol>
Any other registered person	20 August 2017	-

2. In short, for those taxpayers who do not want to claim any transitional input tax credit have to necessarily pay the tax and file return in Form 3B before the due date of 20 August 2017. The taxpayers who want to avail the transitional input tax credit should also calculate their tax liability after estimating the amount of transitional credit as per Form TRANS I. They have to make full settlement of the liability after adjusting the transitional input tax credit before 20 August 2017. However, in such cases, they will get time upto 28 August 2017 to submit Form TRANS I and Form GSTR- 3B. In case of shortfall in the amount already paid vis-à-vis the amount payable on submission of Form 3B, the same will have to be paid along with interest @ 18% for the period between 21 August 2017 till the payment of such differential amount.

**(Notification No.23/2017-Central Tax dated 17 August 2017)**

For further information please contact:

RSM Astute Consulting Pvt. Ltd.

13th Floor, Bakhtawar, 229, Nariman Point, Mumbai - 400021.

T: (91-22) 6108 5555 / 6121 4444

F: (91-22) 6108 5556 / 2287 5771

E: [emails@rsmindia.in](mailto:emails@rsmindia.in)

W: [www.rsmindia.in](http://www.rsmindia.in)

Offices: Mumbai, New Delhi - NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham and Jaipur.



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This newsflash is general in nature. In this newsflash, we have summarized the Government Notification No. 23/2017-Central Tax dated 17 August 2017). It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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