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Issue 2

Chief Editor
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The one sure way of participating in the process of nation-building is to vote on the election day. The Lok Sabha elections are scheduled from 11 Apr – 23 May, 2019. Let's make every vote count for a better future tomorrow

In this issue, we'll be covering the Reverse Charge Mechanism under GST. What and how to do in case of Cancellation and Revocation of GST registration. The issue also covers the mandate resetting of invoice number series for the financial year 2019-20.

The features of the issue are B2CS Amendments and Cross-Amendment Reconciliation.

Regards,
Team IRIS GST

IRIS GST TIMES



NEWSLETTER

This issue

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Reverse Charge Mechanism

GST is normally charged by Supplier of Goods/Services from the recipient and pay the total tax amount to the Government. However, in some cases, instead of the Supplier, the Recipient of supply becomes liable to pay GST directly to government. This is in essence Reverse Charge Mechanism.

RCM is applicable in 3 scenarios, which are,

1. Nature of Supply/Nature of Supplier

The reverse charge mechanism is applicable upon the nature of the given goods/services as notified by CBIC, covered by section 9 (3) of the CGST/SGST (UTGST) Act and section 5 (3) of the IGST Act.

2. Taxable Supplies from Unregistered Person to Registered Dealer (URD)

As per section 9 (4) of the CGST/SGST (UTGST) Act and section 5 (4) of the IGST Act, if a registered person purchases goods/services from an URD then the given taxpayer is liable to pay GST on RCM basis.

3. RCM on Services through an e-commerce operator

An e-commerce operator who provides a platform for the trading of services is liable to pay GST on behalf of his supplier.

ITC

Under RCM, the recipient of goods cannot claim ITC as the supplier has not paid any tax for their sales. Input Tax Credit is available only on the receipt of supplies for which tax has been paid and the supplies were consumed for business purpose.

Self-Invoicing

If a person is not registered under GST, he cannot issue GST compliant invoices. Thus, in such scenarios, the recipient is required to prepare the invoice himself for the purchase made as well as the taxes paid.

Provision Applicable from 01.02.2019:

The CGST(Amendment) Act, 2018 has been put to effect from February 1, 2019, through 'notification no 02/2019 - Central Tax dated 29th January 2019'.

- The purchaser was required to pay the reverse charge for purchases exceeding Rs. 5000/day. This requirement has been cancelled under CGST Act 2018.
- Under CGST Act, 2018, only the specified categories of goods and/or services purchased by a person registered under a specified category, from the unregistered person shall be liable to pay the tax on a reverse charge basis.

[Read the complete article here.](#)

Cancellation and Revocation of GST Registration

Cancellation & Revocation of Registration under GST



Advance Rulings

WEST BENGAL, AAR

The applicant intends to produce a feature film, a portion of which is planned to be shot at locations outside India. For this purpose, he is in the process of appointing CDI Virtual Films Inc. (hereinafter the CDIVF) as a Line Producer in Brazil.

CDIVF is supplying namely accommodation for the crew, supply of food, props, and ancillary services like renting of shooting locations etc.

The Applicant argues that the service being that of an intermediary or else of an event manager, it fits the description of the services covered under sub-sections (3) to (13) of section 13 of the IGST Act, 2017. The place of supply of the service provisioned from CDIVF is, therefore, the location of the supplier in terms of section 13(2) of the IGST Act, 2017

Ruling :-

The Applicant is liable to pay IGST on the payments made to the above Line Producer in terms of SI No. 1 of Notification No. 10/2017 – IGST (Rate) dated 28/06/2017 at 18% rate specified under SI No. 34(vi) of Notification No. 08/2017 – IT (Rate) dated 28/06/2017, as amended from time to time.

[To know more, read the article here.](#)

The GST Regime mandates every person/business with an annual turnover of Rs. 40 lakhs* (Rs 10 lakhs for North Eastern states) or more, to register as a normal taxable person. Likewise, a person making inter-state transactions of taxable goods/services is also required to be registered under GST.

In a similar manner, a taxpayer can also apply for the cancellation of GST registration, on the grounds of,

Liability: GST registration is mandatory for every business exceeding the threshold limit. However, if the annual turnover of the business drops below the given threshold limit, the registered person can opt in for GST cancellation.

Merger: The taxpayer has transferred or merged the business with another organization or vice versa). In this case, the transferee (or the new company from amalgamation/ demerger) has to get registration under GST.

Dissolution: The taxpayer has discontinued the business.

Constitution: There is a change in the constitution of the business

Cancellation by Legal Heirs

If in case, a registered person is deceased, the family or the legal heir of the taxpayer can apply for cancellation of GST registration in FORM GST REG 16.

Cancellation by Authorized Officer

An Authorized officer can cancel GST registration of a taxpayer if,

- The registered person does not conduct business from the place as declared during registration.
- The registered person issues invoices without any supply of Goods and/or Services.
- The registered person violates anti-profiteering provisions

To cancel the registration of a given business, the authorized officer is required to follow the below-given process

- Authorized notifies the concerned person by sending show cause notice in form GST REG - 17
- For any disagreement, the registered person is required to reply in form REG-18 within 7 days of issuance of the notice.
- If the authorized officer finds the reply to be satisfactory, he can drop the proceedings and pass an order in FORM GST REG –20.
- However, if the registered person fails to justify, why his/her registration should not be cancelled, the authorized officer will issue an order in FORM GST REG-19. The order will be sent within 30 days from the date of reply to the show cause

Revocation of Cancellation under GST

In case of cancellation imposed by an officer, the given taxpayer can apply revocation within 30 days from the date of the cancellation order.

[To know more, read the article here.](#)

GST Annual Returns

Businesses in India will be filing their first ever GST Annual Returns in the month of March 2019. With the due date approaching soon, here are few guide points to help you file your annuals without any issue.

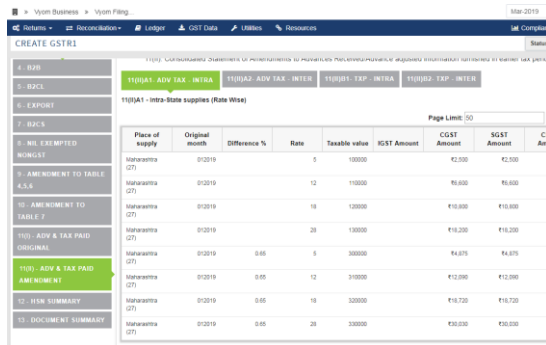
- Businesses with an annual turnover of over Rs 2 crore can now start filing GST audit reports for fiscal 2017-18 as GST Network (GSTN) has made its format available on its portal.
- The audit report for 2017-18, the first year of the goods and services tax (GST) implementation, is to be filed by June 30.
- GSTR-9 is the annual return form for all taxpayers registered under GST, GSTR-9A is for composition taxpayers.
- GSTR-9C is a reconciliation statement, duly verified and signed by a chartered accountant or a cost accountant, and required to be furnished along with the filing of annual return by the taxpayer whose turnover is above Rs 2 crore during a financial year.

For a hassle-free and seamless GSTR 9 filings, try IRIS Sapphire.

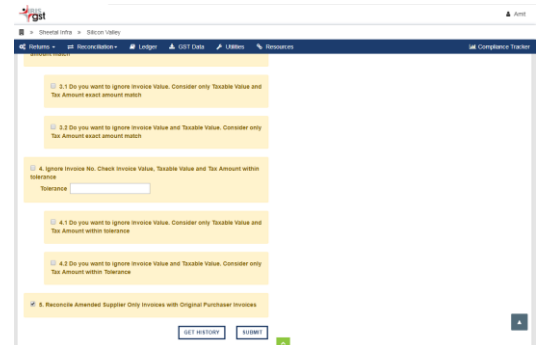
[Book your demo here](#)

IRIS Sapphire: New Features

IRIS Sapphire has been equipped with the below-given feature to ensure your GST Compliance go without any hassles.



Place of supply	Original month	Difference %	Rate	Taxable value	IGST Amount	CGST Amount	SGST Amount	CE Rate
Varanasi (27)	012019	5	10000		42,000		42,000	
Varanasi (27)	012019	12	10000		86,000		86,000	
Varanasi (27)	012019	18	10000		110,000		110,000	
Varanasi (27)	012019	28	10000		110,200		110,200	
Varanasi (27)	012019	0.85	5	30000		14,875	14,875	
Varanasi (27)	012019	0.85	12	31000		12,280	12,280	
Varanasi (27)	012019	0.85	18	30000		11,730	11,730	
Varanasi (27)	012019	0.85	28	30000		10,000	10,000	



- Do you want to ignore Invoice Value. Consider only Taxable Value and Tax Amount exact amount match.
- Do you want to ignore Invoice Value and Taxable Value. Consider only Tax Amount exact amount match.
- Ignore Invoice No. Check Invoice Value, Taxable Value and Tax Amount within tolerance.
- Do you want to ignore Invoice Value. Consider only Taxable Value and Tax Amount within tolerance.
- Do you want to ignore Invoice Value and Taxable Value. Consider only Tax Amount within tolerance.
- Reconcile Amended Supplier Only Invoices with Original Purchaser Invoices.

B2CS and Advances Amendments

With this feature, the user will be able to make amendments for B2CS invoices and Advances sections in GSTR 1 directly through IRIS Sapphire.

Here is how you can save amendments in B2CS and Advance sections in GSTR 1 with IRIS Sapphire:

- Prepare and upload data for B2CS amendment in B2CS Aggregate format, inputting Document Status column as R and original month along with POS-wise data.
- Prepare and upload data for Advance Received and Tax Paid amendment in Advance Received and Tax Paid Aggregate format inputting Document Status column as R and original month with the POS-wise data.
- On click to **'Save the data to GSTIN'**, the amendment records will be saved directly in GSTN portal.
- For summary and detailed report on Amended Advance Received and adjusted go to GSTR 1 tab and select Summary (column 18 and 19) and Advance & Tax Paid tab respectively.

Cross Amendment Reconciliation

With this feature, the user would be able to reconcile the data between CDN and CDNA and B2B and B2BA, thereby reducing the chances of any discrepancy in their returns.

Here is how you can reconcile data across Amended invoice:

- Select the GSTIN you wish to reconcile.
- Go to Advance Reconciliation under Reconciliation tab.
- From the Section drop down menu, chose the desired invoice section (**CDNA or B2BA**)
- Select option 5, **'Reconcile Amended Supplier only Invoices with Original Purchaser Invoices'**, and submit the same.

IRIS Sapphire will reconcile your data with supplier's amended data and display the summary in the Results tab.

- Under results tab,
- You can check detailed report of IRIS Sapphire's Advanced Reconciliation.
- You can also check details of supplier's original data under Invoice Tab- **'Original Supplier only Amended'**.

To know more, connect with our support team at support@irisgst.com

Upcoming Due Dates

GSTR 4 – 18th April

GSTR 3B – 20th April

GSTR 1 - 30th April
(Quarterly)

IRIS Topaz offers you a 360° solution for all your E-way Bill Needs. A cloud-based tool, IRIS Topaz, provides you with the ability to manage all your tasks related to E-way Bill in an easy and automated way, on the go.

[Book your free demo today!!!](#)

CONTACT US

Have feedback for us?

Want to request for our product demos?

Please reach out to us at



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Resetting invoice numbers

Rule 46 (b) of the CGST Rules 2017 suggests that any tax invoice should have a 16 character alpha-numeric invoice number unique for a financial year. This draws attention, now that we are entering a new Financial Year – 2019-2020.

The GSTN has issued an advisory to this regard –

“Attention of all taxpayers is invited to Rule 46 (b) of the CGST Rules 2017, which specifies that the tax invoice issued by a registered person should have a consecutive serial number, not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year.

This rule implies that with the start of new financial year 2019-20 (w.e.f. 01/04/2019), a new invoice series, unique for the financial year is to be started by the GST taxpayers.

Similar provision is there in Rule 49 of the CGST Rules 2017, in respect of issue of Bill of Supply by registered taxpayers availing Composition Scheme or supplying exempted goods or services or both.

If the provisions of Rule 46 or Rule 49 are not adhered to, apart from being a compliance issue, taxpayers may face problem while generating E-Way Bill on EWB system, furnishing Form GSTR 1 or for applying for refund on GST Portal. It is therefore necessary that suitable modification may be made by the taxpayers in their invoices or bill of supply, to avoid any inconvenience in the future.

Rule 46 of CGST Rules 2017, Chapter VI suggests that a tax invoice shall be issued by the registered person containing the following particulars, namely,-

- name, address and GSTIN;
- a consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a FY.
- date of its issue;
- name, address and GSTIN or UIN, if registered, of the recipient;
- name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and the recipient requests that such details be recorded in the tax invoice;
- HSN code for goods or services;
- description of goods or services;
- quantity in case of goods and unit or Unique Quantity Code thereof;
- total value of supply of goods and/or services
- taxable value of the supply of goods and/or services including discount or abatement
- rate of tax
- amount of tax charged in respect of taxable goods or services;
- place of supply along with the name of the State;
- address of delivery where the same is different from the place of supply;
- whether the tax is payable on RCM basis;
- signature or digital signature of the supplier or his authorized representative

[Read the complete article here.](#)