



Changes in GST by Union Budget 2023

Central Goods and Service Tax Act 2017

CMA Prakash Rijhwani

Section of Finance Bill, 2023	Section/Sub-section of CGST Act	Nature of Change	Provision	Comments
128(a)	10(2)(d)	The words omitted	<p>Existing Provisions: (d) he is not engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;</p> <p>Amendment Provisions: The words “goods or” shall be omitted</p>	<p>Clause 128 of the Bill seeks to amend clause (d) of sub-section (2) in section 10 of the Central Goods and Services Tax Act so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy.</p> <p>Section 10 of CGST Act has now been amended to remove such restriction on composite dealers for supply of goods through e-commerce operator. However restriction for supply of services shall continue as earlier.</p> <p>Another important aspect is whether composite dealers will be allowed to sell goods outside state through e-commerce operator or not? The answer is negative. There is no change in these provisions and composite dealers will not be allowed to sell their goods outside state as earlier. So this is going to be a challenging task before e-commerce operators.</p>

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128(b)	10(2A)(c),	The words omitted	<p>Existing Provisions: (c) engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;</p> <p>Amendment Provisions: The words “goods or” shall be omitted</p>	<p>Clause 128 of the Bill seeks to amend clause (c) of sub-section (2A) in section 10 of the Central Goods and Services Tax Act so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy.</p> <p>Section 10 of CGST Act has now been amended to remove such restriction on composite dealers for supply of goods through e-commerce operator. However restriction for supply of services shall continue as earlier.</p>
129(i)	16(2)	The words and figures substituted	<p>Existing Provisions: Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed:</p> <p>Amendment Provisions: in the second proviso, for the words “added to his output tax liability, along with interest thereon”, the words and figures “paid by him along with interest payable under section 50” shall be substituted;</p>	<p>Clause 129 of the Bill seeks to amend second provisos to sub-section (2) of section 16 of the Central Goods and Services Tax Act to align the said sub-section with the return filing system provided in the said Act.</p> <p>A slight correction has been made in the legal language of these two provisos to align it with the existing return filing system as per Act.</p>

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129(ii)	16(2)	The words inserted	<p>Existing Provisions: Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him [to the supplier] of the amount towards the value of supply of goods or services or both along with tax payable thereon.</p> <p>Amendment Provisions: in the third proviso, after the words “made by him”, the words “to the supplier” shall be inserted.</p>	<p>Clause 129 of the Bill seeks to amend third provisos to sub-section (2) of section 16 of the Central Goods and Services Tax Act to ensure the payment of the amount towards the value of supply of goods or services or both along with tax payable thereon to be made by recipient to the supplier only.</p> <p>Third Proviso has been amended to include the words "to the supplier", to ensure that payment has been made by the taxpayer to the supplier only and not any third person. Previously there was a lacuna in the law, which has now been removed. There were instances and possibility, where payment was done by taxpayer to third person, but supplier did not actually receive the same. The said amendment aims to target that lacuna.</p>
130(a)	17(3)	The words and figures substituted	<p>Existing Provisions Explanation.—For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.</p> <p>Amendment Provisions: In sub-section (3), in the Explanation, for the words and figure “except those specified in paragraph 5 of the said Schedule”, the following shall be substituted, namely:— “except,—</p>	<p>Clause 130 of the Bill seeks to amend the Explanation in sub-section (3) of section 17 of the Central Goods and Services Tax Act which clarifies that the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III except certain activities or transactions specified therein.</p> <p>Clause 130 of the Bill seeks to amend Explanation to sub-section (3) of section 17 of the Central Goods and Services Tax Act</p>

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			(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and (ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule”;	<p>so as to restrict availment of input tax credit in respect of certain transactions specified in clause (a) of paragraph 8 of Schedule III of the said Act, as may be provided by rules, by including the value of such transactions in the value of exempt supply.</p> <p>Clause (ii) of the said Explanation empowers the Government to specify by rules the value of such activities or transactions in respect of clause (a) of paragraph 8 of Schedule III which are so excepted.</p>
130(b)	17(5)	The new clause inserted	<p><u>Existing Provisions</u> --</p> <p><u>Amendment Provisions:</u> In sub-section (5), after clause (f), the following clause shall be inserted, namely:— “(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;”.</p>	<p>Clause 130 of the Bill seeks to amend sub-section (5) so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.</p> <p>It will be important to see whether this amendment will be effective from 01.07.2017 or prospective from any future date.</p> <p>If retrospective, Then it may be a cost to the tax payers.</p> <p>We are of the opinion that the amendment will be effective from any prospective date to</p>

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				be notified..
131	23	Section 23 substituted	<p>Existing Provisions 23. Persons not liable for registration. (1) The following persons shall not be liable to registration, namely:— (a) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act; (b) an agriculturist, to the extent of supply of produce out of cultivation of land. (2) The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.</p> <p>Amendment Provisions: For section 23 of the Central Goods and Services Tax Act, the following section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:— (a) the following persons shall not be liable to registration, namely:— (i) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act, 2017; (ii) an agriculturist, to the extent of supply of produce out of cultivation of land; (b)the Government may, on the recommendations of</p>	<p>Clause 131 of the Bill seeks to substitute, with effect from the 1st day of July, 2017, section 23 of the Central Goods and Services Tax Act relating to persons not liable for registration so as to provide overriding effect to the said section over sub-section (1) of section 22 and section 24 of the said Act.</p> <p>The same been done to provide that persons for compulsory registration in terms of section 22 & section 24 need not register if exempt under sub section (1) of section 23.</p>

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132	37	Sub-section (5) inserted.	<p>the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.”</p> <p><u>Existing Provisions</u> -- <u>Amendment Provisions:</u> In section 37 of the Central Goods and Services Tax Act, after sub-section (4), the following sub-section shall be inserted, namely:—</p> <p>“(5) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details: 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 for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details.”</p>	<p>Clause 132 of the Bill seeks to insert a new sub-section (5) in section 37 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the details of outward supplies under sub-section (1) of the said section for a tax period can be furnished by a registered person.</p> <p>It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.</p>
133	39	Sub-section (11) inserted	<p><u>Existing Provisions</u> -- <u>Amendment Provisions:</u> In section 39 of the Central Goods and Services Tax Act, after sub-section (10), the following sub-section shall be inserted, namely:—</p> <p>“(11) A registered person shall not be allowed to</p>	<p>Clause 133 of the Bill seeks to insert a new sub-section (11) in section 39 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the return for a tax period can be furnished by a registered person.</p>

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			<p>furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:</p> <p>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 return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.”</p>	<p>It further seeks to empower the Government, on the recommendation of the council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.</p>
134	44	Sub-section (2) inserted	<p><u>Existing Provisions</u> --</p> <p><u>Amendment Provisions:</u> Section 44 of the Central Goods and Services Tax Act shall be re-numbered as sub-section (1) thereof, and after subsection (1) as so re-numbered, the following sub-section shall be inserted, namely:— “(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return: Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.”</p>	<p>Clause 134 of the Bill seeks to insert a new sub-section (2) in section 44 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the annual return under sub-section (1) of the said section for a financial year can be furnished by a registered person.</p> <p>It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.</p>

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135	52	Sub-section (15) inserted	<p><u>Existing Provisions</u> --</p> <p><u>Amendment Provisions:</u> In section 52 of the Central Goods and Services Tax Act, after sub-section (14), the following sub-section shall be inserted, namely:— “(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement: 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 an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.”</p>	<p>Clause 135 of the Bill seeks to insert a new sub-section (15) in section 52 of the Central Goods and Services Tax Act so as to provide a time limit of three years upto which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator.</p> <p>It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for an operator or a class of operators, subject to certain conditions and restrictions.</p>
136	54	The words omitted	<p><u>Existing Provisions</u> (6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent. of the total amount</p>	<p>Clause 136 of the Bill seeks to amend sub-section (6) of section 54 of the Central Goods and Services Tax Act by removing reference to the provisionally accepted input tax credit so as to align the same with the present scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the said Act.</p>

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			<p>so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.</p> <p>Amendment Provisions: In section 54 of the Central Goods and Services Tax Act, in sub-section (6), the words “excluding the amount of input tax credit provisionally accepted,” shall be omitted.</p>	
137	56	The words substituted	<p>Existing Provisions 56. Interest on delayed refunds. - If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under subsection (1) of that section, interest at such rate not exceeding six per cent. as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax:</p> <p>Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at</p>	<p>Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act by substituting certain words therein which empowers the Government to provide by rules the manner of computing the interest in respect of refund payable for the period of delay beyond sixty days from the date of receipt of application till the date of refund, subject to the conditions and restrictions specified therein.</p> <p>Clause 137 of the Bill seeks to amend section 56 of the Central Goods and Services Tax Act so as to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds.</p>

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			<p>such rate not exceeding nine per cent. as may be notified by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.</p> <p>Explanation.—For the purposes of this section, where any order of refund is made by an Appellate Authority, Appellate Tribunal or any court against an order of the proper officer under sub-section (5) of section 54, the order passed by the Appellate Authority, Appellate Tribunal or by the court shall be deemed to be an order passed under the said sub-section (5).</p> <p>Amendment Provisions: In section 56 of the Central Goods and Services Tax Act, for the words “from the date immediately after the expiry of sixty days from the date of receipt of application under the said subsection till the date of refund of such tax”, the words “for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed” shall be substituted.</p>	
138	122	Sub-section (1B) inserted	<p>Existing Provisions --</p> <p>Amendment Provisions: In section 122 of the Central Goods and Services Tax Act, after sub-section (1A), the following sub-section shall be inserted, namely:—</p>	Clause 138 of the Bill seeks to insert a new sub-section (1B) in section 122 of the Central Goods and Services Tax Act so as to provide for penal provisions applicable to electronic commerce operators in case of contravention of provisions relating to

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			<p>“(1B) Any electronic commerce operator who— (i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply; (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or (iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.”</p>	<p>supplies of goods or services made through them by unregistered persons or composition taxpayers. Such as – a) allowing supply of goods through it by Unregistered Persons other than exempted persons; b) allowing supply of goods outside state by Composite Dealers; c) fails to supply correct details in return of any supply through it by exempted persons.</p>
139(a)	132(1)	Clause (g) omitted.	<p><u>Existing Provisions</u> (g) obstructs or prevents any officer in the discharge of his duties under this Act; <u>Amendment Provisions:</u> Clause (g) shall be omitted;</p>	<p>Clause 139 of the Bill seeks to amend sub-section (1) of section 132 of the Central Goods and Services Tax Act so as to decriminalise offence, namely – “obstructs or prevents any officer in the discharge of his duties under this Act;”</p>
139(a)	132(1)	Clause (j) omitted.	<p><u>Existing Provisions</u> (j) tampers with or destroys any material evidence or documents; <u>Amendment Provisions:</u> Clause (j) shall be omitted;</p>	<p>Clause 139 of the Bill seeks to amend sub-section (1) of section 132 of the Central Goods and Services Tax Act so as to decriminalise offence, namely – “tampers with or destroys any material evidence or documents;”</p>

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139(a)	132(1)	Clause (k) omitted.	<p>Existing Provisions (k) fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information; or</p> <p>Amendment Provisions: Clause (k) shall be omitted;</p>	Clause 139 of the Bill seeks to amend sub-section (1) of section 132 of the Central Goods and Services Tax Act so as to decriminalise offence, namely – “fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information; or”
139(b)	132(1) (l)	The words, brackets and letters substituted.	<p>Existing Provisions (l) attempts to commit, or abets the commission of any of the offences mentioned in clauses (a) to (k) of this section,</p> <p>Amendment Provisions: in clause (l), for the words, brackets and letters “clauses (a) to (k)”, the words, brackets and letters “clauses (a) to (f) and clauses (h) and (i)” shall be substituted;</p>	Clause 139 (b) of the Bill seeks to align with amendments as above to decriminalise offence.
139(c)	132(1)	The words, brackets and letters substituted.	<p>Existing Provisions (iii) in the case of any other offence where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year and with fine;</p> <p>Amendment Provisions: In clause (iii), for the words “any other offence”, the words, brackets and letter “an offence specified in clause (b),” shall be substituted;</p>	<p>Clause 139 of the Bill seeks to increase the monetary threshold from one hundred lakh rupees to two hundred lakh rupees for launching prosecution for the offences under the said Act, except for the offences related to issuance of invoices without supply of goods or services or both.</p> <p>Clause (iii) has also been amended to increase the monetary threshold for launching prosecution for the offences under the said Act from one crore rupees to two crore rupees, except for the offences related</p>

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				to issuance of invoices without supply of goods or services or both.
139(d)	132(1)	The words, brackets and letters omitted.	<p>Existing Provisions (iv) in cases where he commits or abets the commission of an offence specified in clause (f) or clause (g) or clause (j), he shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.</p> <p>Amendment Provisions: In clause (iv), the words, brackets and letters “or clause (g) or clause (j)” shall be omitted.</p>	Clause 139 (d) of the Bill seeks to align with amendments as above to decriminalise offence.
140(a)(i)	138(1)	Clause (a) substituted.	<p>Existing Provisions (a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of sub-section (1) of section 132 and the offences specified in clause (l) which are relatable to offences specified in clauses (a) to (f) of the said sub-section;</p> <p>Amendment Provisions: for clause (a), the following clause shall be substituted, namely:— “(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f), (h), (i) and (l) of sub-section (1) of section 132;”;</p>	Clause 140 of the Bill seeks to amend first proviso to sub-section (1) of section 138 of the Central Goods and Services Tax Act so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act.
140(a)(ii)	138(1)	Clause (b) omitted.	<p>Existing Provisions (b) a person who has been allowed to compound once in respect of any offence, other than those in</p>	Clause 140(a)(ii) of the Bill seeks to align with amendments as above to decriminalise offence.

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			<p>clause (a), under this Act or under the provisions of any State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act or the Integrated Goods and Services Tax Act in respect of supplies of value exceeding one crore rupees;</p> <p>Amendment Provisions: Clause (b) shall be omitted;</p>	
140(a)(iii)	138(1)	Clause (c) substituted.	<p>Existing Provisions (c) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;</p> <p>Amendment Provisions: for clause (c), the following clause shall be substituted, namely:— “(c) a person who has been accused of committing an offence under clause (b) of sub-section (1) of section 132;”;</p>	Clause 140(a)(iii) of the Bill seeks to align with amendments as above to decriminalise offence.
140(a)(iv)	138(1)	Clause (e) omitted.	<p>Existing Provisions (e) a person who has been accused of committing an offence specified in clause (g) or clause (j) or clause (k) of sub-section (1) of section 132; and</p> <p>Amendment Provisions: clause (e) shall be omitted;</p>	Clause 140(a)(iv) of the Bill seeks to align with amendments as above to decriminalise offence.
140(b)	138(2)	The words substituted.	<p>Existing Provisions (2) The amount for compounding of offences under this section shall be such as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent. of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or</p>	Clause 140 of the Bill seeks to amend sub-section (2) so as to rationalise the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

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			<p>one hundred and fifty per cent. of the tax, whichever is higher.</p> <p><u>Amendment Provisions:</u> In sub-section (2), for the words “ten thousand rupees or fifty per cent. of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the tax, whichever is higher”, the words “twenty-five per cent. of the tax involved and the maximum amount not being more than one hundred per cent. of the tax involved” shall be substituted.</p>	
141	158A	The section inserted	<p><u>Existing Provisions</u> --</p> <p><u>Amendment Provisions:</u> “158A. Consent based sharing of information furnished by taxable person. (1) Notwithstanding anything contained in sections 133, 152 and 158, the following details furnished by a registered person may, subject to the provisions of subsection (2), and on the recommendations of the Council, be shared by the common portal with such other systems as may be notified by the Government, in such manner and subject to such conditions as may be prescribed, namely:— (a) particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44; (b) the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;</p>	<p>Clause 141 of the Bill seeks to insert a new section 158A in the Central Goods and Services Tax Act so as to provide for the manner and conditions for sharing of the particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44 and the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68 and such other details as may be prescribed.</p> <p>Sub-section (1) of the said section empowers the Government to provide by rules the details to be shared and the manner in which and the conditions subject to which the details may be shared by the common portal with such other systems</p>

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			<p>(c) such other details as may be prescribed.</p> <p>(2) For the purposes of sharing details under sub-section (1), the consent shall be obtained, of —</p> <p>(a) the supplier, in respect of details furnished under clauses (a), (b) and (c) of sub-section (1); and</p> <p>(b) the recipient, in respect of details furnished under clause (b) of sub-section (1), and under clause (c) of sub-section (1) only where such details include identity information of the recipient, in such form and manner as may be prescribed.</p> <p>(3) Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return.”</p>	<p>notified by the Government.</p> <p>Sub-section (2) of the said section empowers the Government to provide by rules the form and manner in which the consent of the supplier and the recipient specified therein shall be obtained.</p> <p>Sub-section (3) of the said section provides that Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return.”</p>
142	Schedule III	Retrospective effect	<p>Existing Provisions</p> <p>7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.</p> <p>8. (a) Supply of warehoused goods to any person before clearance for home consumption;</p> <p>(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.]</p> <p>Amendment Provisions:</p> <p>In Schedule III to the Central Goods and Services Tax Act, paragraphs 7 and 8 and the Explanation 2 thereof (as inserted vide section 32 of Act 31 of 2018)</p>	<p>Clause 142 of the Bill seeks to amend Schedule III of the Central Goods and Services Tax Act to give retrospective applicability to paragraphs 7 and 8 and the Explanation 2 to the said Schedule with effect from the 1st day of July, 2017.</p> <p>However, it is also clarified that where the tax has already been paid in respect of such transactions/ activities during the period from 01st July, 2017 to 31st January, 2019, no refund of such tax paid shall be available. So if any person has paid tax on such activities in past then no refund shall be granted for the same.</p>

Section of Finance Bill, 2023	Section/Sub-section of CGST Act	Nature of Change	Provision	Comments
			<p>shall be deemed to have been inserted therein with effect from the 1st day of July, 2017.</p> <p>(2) No refund shall be made of all the tax which has been collected, but which would not have been so collected, had subsection (1) been in force at all material times.</p>	

Proposed changes in GST by Union Budget 2023

Integrated Goods and Service Tax Act 2017

CMA Prakash Rijhwani

Clause of Finance Bill, 2023	Section/Sub-section/Notification of IGST Act	Nature of Change	Provision	Comment
143 (a)	2(16)	Substituted	<p><u>Existing Provisions:</u></p> <p>(16) “non-taxable online recipient” means any Government, local authority, governmental authority, an individual or any other person not registered and receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory.</p> <p><i>Explanation.</i>—For the purposes of this clause, the expression “governmental authority” means an authority or a board or any other body,—</p> <p>(i) set up by an Act of Parliament or a State Legislature; or</p> <p>(ii) established by any Government, with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted ²[to a Panchayat</p>	<p>Clause 143 of the Bill seeks to amend clause (16) of section 2 of the Integrated Goods and Services Tax Act, by omitting certain words therein, so as to restrict the meaning of the term “non-taxable online recipient” to mean any unregistered person receiving online information and database access or retrieval services located in the taxable territory.</p> <p>It further seeks to clarify that the persons registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act shall be treated as unregistered person for the purpose of the said clause.</p>

Clause of Finance Bill, 2023	Section/Sub-section/Notification of IGST Act	Nature of Change	Provision	Comment
			<p>under article 243G or] to a municipality under article 243W of the Constitution;</p> <p><u>Amendment Provisions:</u> For clause (16), the following clause shall be substituted, namely:—</p> <p>‘(16) “non-taxable online recipient” means any unregistered person receiving online information and database access or retrieval services located in taxable territory.</p> <p>Explanation.—For the purposes of this clause, the expression “unregistered person” includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017’; (12 of 2017)</p>	
143 (b)	2(17)	The words Omitted	<p><u>Existing Provisions:</u></p> <p>(17) “online information and database access or retrieval services” means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,—</p>	<p>Clause 143 of the Bill proposes to amend clause (17) of the said section by removing certain words therein so as to remove the condition of “essentially automated” and “involving minimal human intervention” from the said definition.</p> <p>Clause (17) of the said section is being amended to revise the definition of “online information and database access or retrieval services” to remove the condition of rendering of the said supply being <u>essentially automated and involving minimal human intervention.</u></p>

Clause of Finance Bill, 2023	Section/Sub-section/Notification of IGST Act	Nature of Change	Provision	Comment
			<p>(i) advertising on the internet;</p> <p>(ii) providing cloud services;</p> <p>(iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;</p> <p>(iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;</p> <p>(v) online supplies of digital content (movies, television shows, music and the like);</p> <p>(vi) digital data storage; and</p> <p>(vii) online gaming;</p> <p><u>Amendment Provisions:</u></p> <p>The words “essentially automated and involving minimal human intervention and” shall be omitted.</p>	
144	12(8)	Proviso Omitted	<p><u>Existing Provisions:</u></p> <p>(8) The place of supply of services by way of transportation of goods, including by mail or courier to,—</p> <p>(a) a registered person, shall be the location of such person;</p>	<p>Clause 144 of the Bill seeks to omit the proviso to sub-section (8) of section 12 of the Integrated Goods and Services Tax Act so as to remove the confusion regarding availment of input tax credit and other matters.</p> <p>Proviso to sub-section (8) of section 12 of the IGST Act is being omitted so as to specify the place of supply, irrespective of destination of the goods, in cases where</p>

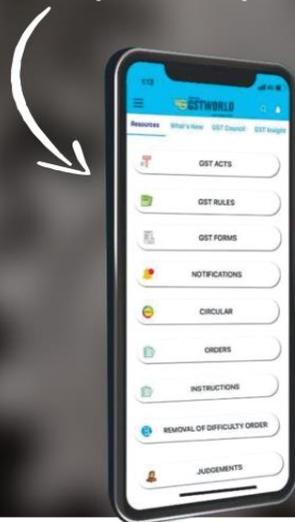
Clause of Finance Bill, 2023	Section/Sub-section/Notification of IGST Act	Nature of Change	Provision	Comment
			<p>(b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.</p> <p>Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.</p> <p><u>Amendment Provisions:</u> In section 12 of the Integrated Goods and Services Tax Act, in sub-section (8), the proviso shall be omitted.</p>	<p>the supplier of services and recipient of services are located in India.</p>

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