

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR THE MONTH OF JANUARY 2018

(Circulars/ Notifications released during
January 2018)

31st January 2018

[Income Tax](#)

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I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBDT Notification No. 01/2018 dated 02.01.2018	Electoral Bond Scheme, 2018	CBDT has notified Electoral Bond Scheme, 2018 with the objective of enabling infusion of clean money and ensuring transparency into the system of political funding. Notification
2.	CBDT Notification No. 04/2018 dated 19.01.2018	Tax Return Preparer (Amendment) Scheme, 2018	Tax Return preparer Scheme has been amended to provide that an individual who has passed the Intermediate level examination conducted by the ICAI or ICSI or ICMAI, shall be eligible to act as Tax Return Preparer. Notification
3.	CBDT Circular No. 01/2018 dated 10.01.2018	Order under section 119 of the Income-tax Act, 1961	CBDT has prescribed the process to be followed by taxpayer for furnishing response to intimation u/s 143(1)(a)(vi) of the Income Tax Act, 1961. (adjustment for addition of income appearing in Form 26AS or Form 16A or Form 16 which has not been included in the computing the total income in the return filed.) Circular

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II. GOODS AND SERVICE TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBEC Notification No. 01/2018-CT dated 01.01.2018	Amendment in Notification No. 08/2017	<p>CBEC has further reduced the GST rate to HALF PERCENT from ONE PERCENT for manufacturers who have opted composition scheme.</p> <p>CBEC has also notified that for other suppliers who have opted for composition scheme now only turnover of taxable supply of goods will be taxed at half percent rather than aggregate turnover</p> <p>Notification</p>
2.	CBEC Notification No. 03/2018-CT dated 23.01.2018	Central Goods and Service Tax (Amendment) Rules, 2018	<p>CBEC has notified the CGST (First Amendment) Rules, 2018, to effect amendments in various CGST Rules.</p> <p>Also, following new rules have been inserted-</p> <ul style="list-style-type: none"> - Rule 31A for Value of supply in case of lottery, betting, gambling and horse racing - Rule 55A relating to tax Invoice or bill of supply to accompany transport of goods - Rule 138 for Information to be furnished prior to commencement of movement of goods and generation of e-way bill <p><u>Forms notified</u></p> <ul style="list-style-type: none"> - Form GST RFD-01A to insert <ul style="list-style-type: none"> • Statement-2 for export of services with payment of tax • Statement 3 for export without payment of tax (accumulated ITC) • Statement 4 on account of supplies made to SEZ unit or SEZ Developer (on payment of tax) -FORM GST EWB-01 (E-way bill) -FORM GST EWB-02 (Consolidated E-Way Bill)

			Notification
3.	CBEC Notification No. 04/2018, 05/2018 & 06/2018-CT dated 23.01.2018	Reduction of late fees in case of delayed filing of Form GSTR-1, GSTR-5 or GSTR-5A	<p>CBEC reduces penalty for late filing as under</p> <ul style="list-style-type: none"> -Failure to file Form GSTR-1, Form GSTR-5 or Form GSTR 5A : penalty of Rs.25 per day of default. -Failure to file NIL GST return, penalty reduced to Rs.10 per day of default <p>Notification (GSTR-1) Notification (GSTR-5) Notification (GSTR-5A)</p>
4.	CBEC Notification No. 07/2018-CT dated 23.01.2018	Reduction of late fees in case of delayed filing of Form GSTR-6	<p>CBEC has waived the late fee payable by any registered person for failure to furnish the return in FORM GSTR-6 by the due date, which is in excess of an amount of 25 rupees for every day during which such default continues.</p> <p>Notification</p>
5.	CBEC Notification No. 08/2018-CT dated 23.01.2018	To extend the time limit for filing of Form GSTR-6	<p>CBEC has extended the time limit for furnishing the return by an Input Service Distributor in FORM GSTR6 for the months of July 2017 to February 2018, till the 31st March, 2018.</p> <p>Notification</p>

6.	CBEC Notification No. 09/2018-CT dated 23.01.2018	Amendment in Notification no. 04/2017 for notifying e-way bill website	CBEC hereby notified www.gst.gov.in as the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns and computation and settlement of integrated tax and www.ewaybillgst.gov.in as the Common Goods and Services Tax Electronic Portal for furnishing electronic way bill. Notification
7.	CBEC Notification No. 1/2018 (Rate) - dated 25.01.2018	Amendment in Notification No. 11/2017- CT(R) & 8/2017- IT(R)	Reduction in GST rates of various services notified. Notification-CT(R) Notification-IT(R) Notification-IT(R)
8.	CBEC Notification No. 2/2018 (Rate) - dated 25.01.2018	Amendment in Notification No. 12/2017- CT(R) & 9/2017- IT(R)	CBEC has extended exemption from GST to following services- - services provided by the Naval Insurance Group Fund by way of Life Insurance to personnel of Coast Guard - services provided by way of reinsurance of the insurance schemes - dollar denominated services provided by financial intermediaries located in IFSC SEZ to a person outside India - services by way of fumigation in a warehouse of agricultural produce - services by way of providing information under the Right to Information Act, 2005 - subscription of online educational journals/ periodicals by educational institutions who provide degree recognized by any law. - service by way of renting of transport vehicles providing services of transportation of students, faculty and staff to an educational institution providing

			<p>education upto higher secondary or equivalent</p> <ul style="list-style-type: none"> - threshold limit for exemption from GST has been increased from Rs. 250 to 500 for all theatrical performances like Music, Dance, Drama, Orchestra, Folk or Classical Arts and other such activities in any Indian language . Exemption also extended to services by way of admission to a planetarium. <p>Further, in following cases exemption has been granted with a sunset clause upto 30.09.2018</p> <ul style="list-style-type: none"> - service by way of transportation of goods from India to a place outside India by air - service by way of transportation of goods from India to a place outside India by sea <p>Notification-CT(R)</p> <p>Notification-IT(R)</p> <p>Notification-UT(R)</p>
9.	<p>CBEC Notification No. 3/2018 (Rate) – dated 25.01.2018</p>	<p>Amendment in Notification No. 13/2017-CT(R) & 10/2017-IT(R)</p>	<p>CBEC has notified that services provided by Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017 shall be taxable on reverse charge basis.</p> <p>Notification-CT(R)</p> <p>Notification-IT(R)</p> <p>Notification-UT(R)</p>
10.	<p>CBEC Notification No. 4/2018 (Rate) – dated 25.01.2018</p>	<p>Point of taxation in case of supply of development rights or construction services</p>	<p>CBEC has specified that liability to pay GST on supply of development rights or construction services shall arise at the time when the developer, builder, construction company or any other registered person, as the case may be, transfers possession or the right in the constructed complex, building or civil structure, to the person supplying the development rights by entering into a conveyance deed or similar instrument.</p> <p>Notification-CT(R)</p>

			Notification-IT(R) Notification-UT(R)
11.	CBEC Notification No. 5/2018 (Rate) – dated 25.01.2018	To exempt Central Government's share of Profit Petroleum from tax	CBEC has exempted the intra-State supply of services by way of grant of license or lease to explore or mine petroleum crude or natural gas or both, from so much of the tax as is leviable on the consideration paid to the Central Government in the form of Central Government's share of profit petroleum. Notification-CT(R) Notification-IT(R) Notification-UT(R)
12.	CBEC Circular No. 27/2017 – dated 04.01.2018	Clarification regarding levy of GST on certain services	CBEC has issued clarifications regarding levy of GST on - accommodation services, -betting and gambling in casinos, -horse racing, -admission to cinema, homestays, -printing and -legal services etc. Circular
13.	CBEC Circular No. 28/2018 – dated 08.01.2018	Clarifications regarding GST on College Hostel Mess Fees	CBEC has clarified that supply of food or drink provided by an educational institution to its students and staff shall be exempt from tax. However, if the catering services, i.e., supply of food or drink in a mess or canteen, is provided by anyone other than the educational institution then it shall be taxable at the rate of 5% without Input Tax Credit

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			Corrigendum

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III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBEC Notification No. 06/2018 dated 18.01.2018	Rate of Exchange	CBEC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currencies specified in Schedule I & Schedule II effective from 19th January, 2018. Notification

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Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important

