

# INDIRECT TAX

## Weekly Digest

06 July 2022  
[www.bdo.in](http://www.bdo.in)



## GOODS & SERVICES TAX

### LEGISLATIVE UPDATES

#### PRESS RELEASE

#### Recommendations of 47th GST Council meeting

The GST council in its 47th meeting has made recommendations to rationalize GST rates to remove inverted duty structure; pruned certain list of exemptions; to clarify certain issues around the tax rates to bring uniformity; to implement measures to streamline GST compliances and promote trade facilitation.

#### Recommendations relating to GST rates on goods and services

#### Rate Rationalization to remove inverted duty structure

S. No.	Description	Existing Rate	Proposed Rate
<b>GOODS</b>			
1.	Printing, writing, or drawing ink	12%	18%
2.	Knives with cutting blades, paper knives, pencil sharpeners and blades therefor, spoons, forks, ladles, skimmers, cake-servers etc	12%	18%

3.	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps, bicycle pumps	12%	18%
4.	Machines for cleaning, sorting, or grading, seed, grain pulses; machinery used in milling industry or for the working of cereals etc; pawan chakki that is air based atta chakki; wet grinder	5%	18%
5.	Machines for cleaning, sorting, or grading eggs, fruit or other agricultural produce and its parts, milking machines and dairy machinery	12%	18%
6.	LED Lamps, lights and fixture, their metal printed circuits board	12%	18%

7.	Drawing and marking out instruments	12%	18%
8.	Solar Water Heater and system	5%	12%
9.	Prepared/finished leather/chamois leather/ composition leathers	5%	12%
10.	Refund of accumulated ITC not to be allowed on flowing goods: a.Edible oils b.Coal		
<b>SERVICES</b>			
11.	Services supplied by foreman to chit fund	12%	18%
12.	Job work in relation to processing of hides, skins, and leather	5%	12%
13.	Job work in relation to manufacture of leather goods and footwear	5%	12%
14.	Job work in relation to manufacture of clay bricks	5%	12%
15.	Works Contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
16.	Works Contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub- contractor thereof.	12%	18%
17.	Works Contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

**Other GST rate changes recommended**

S. No.	Description	Existing Rate	Proposed Rate
<b>GOODS</b>			
1.	Ostomy appliances	12%	5%
2.	Orthopedic appliance-splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens	12%	5%
3.	Tetra Pak (Aseptic packaging paper)	12%	18%
4.	Tar (whether from coal, coal gasification plants, producer gas plants and coke oven plants.	5%/18%	18%
5.	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	Nil
6.	Cut and polished diamonds	0.25%	1.5%
7.	IGST on specified defence items imported by private entities/vendors when end-user is the Defence forces.	Applicable rate	Nil
<b>SERVICES</b>			
1.	Transport of goods and passengers by ropeways.	18%	5% (with ITC of services)
2.	Renting of truck/goods carriage where cost of fuel is included	18%	12%

### Withdrawal of exemptions

- GST was exempted on specified food items, grains etc. when not branded, or right on the brand has been foregone.
- It has been recommended to revise the scope of exemption to exclude from it pre-packaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk.

### GST exemption withdrawn for following goods

S. No.	Description of goods	Existing Rate	Proposed Rate
1.	Cheques, loose or in book form	Nil	18%
2.	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	Nil	12%
3.	Parts of goods of heading 8801	Nil	18%

### Exemption in form of a concessional rate of GST is being rationalized

S. No.	Description of goods	Existing Rate	Proposed Rate
1.	Petroleum/ Coal bed methane	5%	12%
2.	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate
3.	E-waste	5%	18%

### Following exemptions are being rationalized

- Exemption on transport of passengers by air to and from NE states & Bagdogra is being restricted to economy class.
- Exemption on following services is being withdrawn
  - Transportation by rail or a vessel of railway equipment and material
  - Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)
  - Fumigation in a warehouse of agricultural produce
  - Services by RBI, IRDA, SEBI, FSSAI
  - GSTN.
  - Renting of residential dwelling to business entities (registered persons)
  - Services provided by the cord blood banks by way of preservation of stem cells
- Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of bio-medical waste shall be taxed at 12% so as to allow them ITC.
- Hotel accommodation priced upto INR. 1000/day shall be taxed at 12%.

- Room rent (excluding ICU) exceeding INR. 5000 per day per patient charged by a hospital shall be taxed to the extent of amount charged for the room at 5% without ITC.
- Tax exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

### GST on casinos, racecourse, and online gaming

The Council directed that the Group of Ministers on casino, racecourse, and online gaming to re-examine the issues in its terms of reference based on further inputs from states and submit its report within a short duration.

### Clarification on GST rate

#### Goods

- Electric vehicles whether fitted with a battery pack, are eligible for the concessional GST rate of 5%.
- All fly ash bricks attract same concessional rate irrespective of fly ash content.
- Stones covered in entry no:123 of Schedule-I (such as Napa stones), even if they are ready to use and polished in minor ways [not mirror polished], attract concessional GST rate of 5%.
- The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, dried) attract GST at the 12%.
- Sewage treated water is exempted from GST.
- Nicotine Polar ilex Gum attracts a GST rate of 18%.
- The condition of 90% fly ash content with respect to fly ash bricks applies only to fly ash aggregate, and not fly ash bricks.

#### Services

- Due to ambiguity in GST rates on supply of ice-cream-by-ice-cream parlors, GST charged at 5% without ITC on the same during the period 1 July 2017 to 5 October 2021 shall be regularized to avoid unnecessary litigation.
- Application fee charged for entrance or for issuance of eligibility certificate for admission or issuance of migration certificate by universities is exempt from GST.
- Ginned or baled fiber is covered in entry no:24B of notification no:12/2017-CT(R) dated 28 June 2017 in the category of raw vegetable fibers. The exemption under this entry is being rationalized.
- Services associated with transit cargo both to and from Nepal and Bhutan are covered by exemption under entry no:9B of notification no:12/2017-CT(R) dated 28 June 2017.
- Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%.
- Renting of vehicle with operator for transportation of goods on time basis is classifiable under Heading 9966 (rental services of transport vehicles with operators) and attracts GST at 18%. GST on such renting where cost of fuel is included in the consideration charged is being prescribed at 12%.

- Allowing choice of location of a plot is part of supply of long-term lease of plot of land. Therefore, location charge or Preferential Location Charges (PLC) are part of consideration charged for long term lease of land and shall get the same treatment under GST.
- Services provided by the guest anchors to TV channels in lieu of honorarium attract GST.
- Additional fee collected in the form of higher toll charges from vehicles not having Fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and shall be given the same tax treatment as given toll charges.
- Services in form of Assisted Reproductive Technology (ART)/ In vitro fertilization (IVF) are covered under the definition of health care services for the purpose of exemption under GST.
- Sale of land after leveling, laying down of drainage lines etc. is sale of land and does not attract GST.
- Renting of motor vehicles for transport of passengers to a body corporate for a period (time) is taxable in the hands of body corporate under RCM.
- The expression 'public transport' used in the exemption entry at entry no:17(d) of notification no:12/2017-CT(R), which exempts transport of passengers by public transport other than predominantly for tourism purpose, in a vessel between places located in India.

#### Other miscellaneous changes

- All taxable service of department of posts would be subject to forward charge. Hitherto certain taxable services of department of post were taxed on RCM basis.
- Goods transport agency (GTA) is being given option to pay GST at 5% or 12% under forward charge; option to be exercised at the beginning of financial year. RCM option to continue.
- Service provided by Indian tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.

**The rate changes recommended by the 47th GST Council will be made effective from 18 July 2022.**

#### Recommendations relating to GST law and procedure

##### Measures for Trade facilitation

- In-principal approval for relaxation in the provisions for suppliers making supplies through E-Commerce Operators (ECOs)
  - the aggregate turnover on all India basis does not exceed the turnover specified under section 22(1) of the CGST Act and notifications issued thereunder.
  - the person is not making any inter-state taxable supply.
- Composition taxpayers would be allowed to make intra-state supply through ECO subject to certain conditions.

The details of the scheme will be worked out by the Law Committee of the Council. The scheme would be

tentatively implemented with effect from 01 January 2023, subject to preparedness on the portal as well as by ECOs.

- Change in formula for calculation of refund under rule 89(5) to consider utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period. This would help those taxpayers who are availing ITC on input services also.
- Amendment in rule 96 of the CGST Rules has been recommended to provide for transmission of IGST refund claims on the portal in a system generated FORM GST RFD-01 to the jurisdictional GST authorities for processing.
- Re-credit of amount in electronic credit ledger to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services, in contravention of rule 96(10) of the CGST Rules, is deposited by him along with interest and penalty, wherever applicable. A new FORM GST PMT-03A is introduced for the same. This will enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.
- Section 110(c) and section 111 of the Finance Act, 2022 to be notified by Central Government at the earliest. These provisions relate to

- Retrospective amendment in section 50(3) of CGST Act, with effect from 01 July 2017, to provide that interest will be payable on the wrongly availed ITC only when the same is utilized.

- Amendment in sub-section (10) of section 49 of CGST Act to provide for transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of CGST and IGST of a distinct person.

- Waiver of late fee for delay in filing FORM GSTR-4 for FY 2021-22 and extension of due date for filing FORM GST CMP-08 for Q1 of FY 2022-23

- To extend the waiver of late fee under section 47 for delay in filing FORM GSTR-4 for FY 2021-22 by approximately four more weeks, i.e., till 28 July 2022 (The existing waiver is for the period from 01 May 2022 till 30 June 2022)

- To extend the due date of filing of FORM GST CMP-08 for the 1 quarter of FY 2022-23 from 18 July 2022 to 31 July 2022.

GSTN has also been asked to expeditiously resolve the issue of negative balance in ECL being faced by some of the composition taxpayers.

- Present exemption of IGST on import of goods under AA/EPCG/EOU scheme to be continued and E-wallet scheme not to be pursued further.
- Issuance of the following circulars to remove ambiguity and legal disputes on various issues, thus benefiting taxpayers at large
  - Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.



- Clarification on various issues relating to applicability of demand.
  - Penalty provisions under the CGST Act in respect of transactions involving fake invoices.
  - Clarification on mandatory furnishing of correct and proper information of inter-state supplies and amount of ineligible/blocked ITC and reversal thereof in return in FORM GSTR-3B.
  - Clarification in respect of certain GST related issues
    - Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export.
    - Clarification on various issues relating to interpretation of section 17(5) of the CGST Act.
    - Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement.
    - Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.
  - Exemption from filing annual return in FORM GSTR-9/9A for FY 2021-22 to be provided to taxpayers having Aggregate Annual Turnover (AATO) up to INR 20Mn.
  - Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of ITC for exempted supply of duty credit scrips by the exporters.
  - UPI & IMPS to be provided as an additional mode for payment of GST to taxpayers under rule 87(3) of CGST Rules.
  - In respect of refunds pertaining to supplies to SEZ developer/unit, an explanation to be inserted in rule 89(1) of CGST Rules to clarify that “specified officer” under the said sub-rule shall mean the “specified officer” or “authorized officer”, as defined under SEZ Rules, 2006.
  - Amendment in CGST Rules to provide for refund of unutilized ITC on account of export of electricity. This would facilitate the exporters of electricity in claiming refund of utilized ITC on zero rated supplies.
  - Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies. Rule 95A of the CGST Rules, Circular no:106/25/2019-GST dated 29 June 2019 and related notifications to be rescinded accordingly.
- Measures for streamlining compliances in GST**
- Provision for automatic revocation of suspension of registration in cases where suspension of registration was done by the system under rule 21A(2A) of CGST Rules, for non-compliance in terms of section 29(2)(b) or (c) [continuous non-filing of specified number of returns] once all the pending returns are filed on the portal by the taxpayer. (Amendment in rule 21 A).
  - Proposal for comprehensive changes in FORM GSTR-3B to be placed in public domain for seeking inputs/suggestions of the stakeholders.
- Time period from 01 March 2020 to 28 February 2022 to be excluded from calculation of the limitation period for filing refund claim by the taxpayer under section 54 and 55 of CGST Act, as well as for issuance of demand/order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act. Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, to be extended till 30 September 2023.
    - IT is decided to constitute a GoM to address various concerns raised by the states in relation to constitution of GST Appellate Tribunal and make recommendations for appropriate amendments in CGST Act.

*[PIB press Release dated 29 June 2022]*
- JUDICIAL UPDATES**
- ORDERS BY AUTHORITY FOR ADVANCE RULING (AAR)**
- Activities undertaken for Central Government, State Government, Local Authority or Governmental Authority, for which consideration is received in the form of grants, are exempt from GST**
- Facts of the case**
- M/s. Garhwal Mandal Vikas Nigam (GMVN) Limited (“Taxpayer” “GMVNL”) is a government undertaking and is receiving consideration for implementation of various projects from government/government departments in the form of grants and the said grants are utilized for procurement of services/goods from contractors for executing those projects;
  - Currently, the taxpayer is working on two construction projects- construction of ‘Shaheed Dwar’ at Banjarawala, Dehradun and construction of ‘Creation of barrier free environment for PWDs and ‘tourist rest houses in various district of Uttarakhand State’;
  - The taxpayer also undertake activities of restoration and repair works of wayside amenities, tourist rest houses, tourist bus stands and development and reconstruction and maintenance of other infrastructure facilities for the tourist.
- Questions before the AAR**
- Whether the activities undertaken for implementing various construction/ repair/ renovation/ addition/ alteration projects by GMVNL for Government, the consideration for which is received in the form of grants amounts to ‘Supply’ under the GST laws and are thus chargeable to GST?
  - In case the above activities amount to ‘Supply’, whether the supply is classified as supply of goods or supply of services?
  - Whether the said transaction is exempt under the provisions of GST Law?
  - Whether the said transaction is exempt under notification no:12/2017-CT(R)(As amended) dated 28 June 2017?
- Observations and Ruling by the AAR**
- Taxpayer has received payment for execution of a specific work i.e., the type and scope of the work is predetermined, hence, the money is transferred by the government into the accounts of the taxpayer in the form of grant is a “consideration”. Consequently, the activity undertaken by the taxpayer for the State/Central

Government or local authority amount to 'Supply' as defined in section 7 of the CGST Act, 2017;

- Section 2 of the CGST Act, 2017 defines "works contract" to mean a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration, or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract;
- Referring to the definition of scope of supply, composite supply and works contract, the work allocated to the taxpayer which involves civil construction work viz. construction, repairs, etc. falls under the definition of Works Contract service ('WCS');
- By virtue of notification no:12/2017-CT(R) dated 28 June 2017 only the services /activities undertaken for Central Government, State Government, Local Authority or Governmental Authority, for which the consideration in the form of grants, are exempt from the payment of applicable GST;
- Based on the nature of engagements the taxpayer involved in the work of "construction of 'Shaheed Dwar' at Banjarawala, Dehradun" and "construction of 'Creation of barrier free environment for PWDs and 'tourist rest houses in various district of Uttarakhand State" are classified as supply of services;
- Exemption from payment of GST is available for both the projects as per entry no:9C of the notification no:12/2017-CT(R) dated 28 June 2017, as the consideration is in the form of grants.

*[AAR- Uttarakhand, M/s. Garhwal Mandal Vikas Nigam Limited, Ruling no:ARA-02/2022-23, dated 06 April 2022]*

### Reimbursement received towards stipend paid to trainees qualifies as 'pure agent'

#### Facts of the case

- M/s. Patle Eduskills Foundation ('Taxpayer') is a service provider, engaged in the business of human resource & skill development has enrolled itself as a facilitator under National Employability Enhancement Mission ('NEEM Scheme') and provides trainees to various institutes for which service charges are collected in addition to reimbursement of stipend payable to trainees;
- The taxpayer has entered into training agreements with various institutes, factories (trainer institutes) to enroll NEEM trainees for on job practical training to enhance prospects of their employability;
- The taxpayer charges a fixed fee of INR. 1500/- per trainee per month from institutes on which GST is levied and paid;
- Further, the trainer institutes are also required to pay monthly stipend to the trainees for the duration of their training. The trainer institute pays the stipend amount to the taxpayer who in turn disburses it to the trainees.

#### Questions before the AAR

- Whether the taxpayer, in the capacity of being a NEEM facilitator, acts as a 'pure agent' while receiving reimbursement of stipend amounts from the various trainer institutes and remitting the same to the trainees?

- If not, whether such stipend amount forms a part of the taxable value?

#### Contention of the Taxpayer

- The taxpayer has submitted the key clauses of agreement as below
  - Payment: Monthly stipend shall be paid to trainees by trainer Institute; however, such payment shall be made by way issuing a cheque in the name of the taxpayer who will make such payment to the trainees;
  - Obligation of the taxpayer: Prepare & submit monthly invoice to college relating to payment of stipend to the trainees where stipend amount is to be mentioned separately stating that the said amount is collected as 'pure agent';
  - Employee-employer relationship: There is no obligation to offer employment to the trainees on successful completion of period of training;
  - Costing: Trainer institute to pay INR 1500 per month per trainee to the taxpayer.
- The taxpayer has submitted that it collects the stipend amount from the trainer institute which is only in the nature of pass-through payment and is being collected in the capacity of being a pure agent, therefore, the said amount does not form a part of the taxable value and hence is not chargeable to GST;
- The taxpayer has submitted the provisions of section 9 and section 15 of the CGST Act, 2017 and stated that only training service charges can be said to be the price paid for the services provided by the taxpayer;
- With regards to payment of stipend, the legal liability to pay stipend to trainees is cast on the trainer institute & the taxpayer only acts as the medium of remittance of stipend to the trainees the taxpayer neither retains any amount from the reimbursement received nor receives any separate consideration from trainees. The stipend amounts are not related to the service provided by the taxpayer in any manner and therefore does not constitute a 'consideration' for services provided by the taxpayer;
- In addition to above, the taxpayer has submitted various references of training agreement and various advance rulings substantiating the fulfilment of conditions of pure agent.

#### Observations and Ruling by the AAR

- The AAR has observed that the first question raised by the taxpayer, whether it is a pure agent while receiving reimbursement of stipend amounts from the various trainer institutes and remitting the same to the trainees, is not covered under any of the matter specified in section 97(2) of the CGST Act, 2017 where the AAR is required to provide the decision. Hence, the AAR has refrained from answering the question;
- With respect to the question, whether stipend amount forms a part of the taxable value, the AAR relied on the ruling in case of M/s. Yashaswi Academy [ARA application no:83 dated 26 December 2019], wherein it was decided not to include the stipend amount as a part of the taxable value. Accordingly, the AAR has ruled that the stipend amount would not form part of the taxable value.

*[AAR-Karnataka, M/s. Patle Eduskills Foundation, Ruling no:ARA-53/2020-21/B-78, dated 08 June 2022]*

## CUSTOMS

### NOTIFICATION

#### Exemption of Petroleum Crude and ATF from additional duty

Central Board of Indirect Taxes & Customs (CBIC) exempts petroleum crude and Aviation Turbine Fuel(ATF) from whole of the additional duty of Customs leviable thereon when imported into India, under section 3(1) of the Customs Tariff Act, as is equivalent to the Special Additional Excise Duty leviable thereon under section 147 of the Finance Act, 2002.

[Notification no:32/2022 dated 30 June 2022]

#### Increase in Basic Customs Duty (BCD) rate on gold

CBIC has increased Customs duty on import of Gold as follows:

HSN/ Chapter	Description of Goods	Existing rate (%)	New rate (%)
71	Gold dore bar, having gold content not exceeding 95%	6.9	11.85
71or 98	1.Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger; 2.Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls	7.5	12.5
7108	All goods other than those mentioned at S. No. 354 (Gold dore bar, having gold content not exceeding 95%)	7.5	11.85

CBIC also exempted all the goods falling under heading 7108 (Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form) from the whole of the Social Welfare Surcharge leviable thereon.

[Notification No: 33&34/2022 dated 30 June 2022]

#### Increase in BCD rate on gold imported under the replenishment scheme and under TRQ of India-UAE CEPA

CBIC has increased the BCD on gold imported under the replenishment scheme from 6.9% to 11.85%. Also increased BCD on All goods other than gold dore bar (covered under 71081100, 71081200, 71081300) under TRQ of India-UAE CEPA from 6.6% to 11.5%.

[Notification no:35&36/2022 dated 30 June 2022]

#### Removal of sunset period on exemption from Integrated Tax and Compensation Cess

CBIC has notified that the exemption from whole of integrated tax and compensation cess leviable under section 3(7) and 3(9) of the Customs Tariff Act, 1985 respectively will be continuing, without any time limit in respect of the goods imported under the following schemes:

- Notification no:16/2015-Cus., dated 01 April 2015 - EPCG Scheme
- Notification no:18/2015-Cus., dated 01 April 2015 - Advance Authorisation Scheme
- Notification no:20/2015-Cus., dated 01 April 2015 - Advance Authorisation Scheme for Annual Requirement
- Notification no:22/2015-Cus., dated 01 April 2015- Advance Authorisation Scheme for export of Prohibited goods
- Notification no:45/2015-Cus., dated 13 August 2016 - Special Advance Authorisation Scheme for manufacture and export of garments
- Notification no:52/2003-Cus., dated 31 March 2003 - Export Oriented Unit (EOU) scheme

Accordingly, the sunset of the exemption has been removed and the same will be continued till further modification

[Notification no:37/2022 dated 30 June 2022]

#### Customs Broker Licensing (Amendment) Regulations, 2022

The CBIC has issued the Customs Brokers Licensing (Amendment) Regulations, 2022 to further amend certain regulations under the Customs Brokers Licensing Regulations, 2018.

[Notification no:52/2022 dated 24 June 2022]

#### Sea Cargo Manifest and Transshipment (Ninth Amendment) Regulations

The CBIC has notified the Sea Cargo Manifest and Transshipment (First Amendment) Regulations, 2022, which amends Regulation 15 of the Sea Cargo Manifest and Transshipment Regulations, 2018 to extend the compliance regarding transitional provisions of the said regulations from 30 June 2022 till 31 December 2022;

[Notification no:56/2022 dated 30 June 2022]

#### Conditions and restrictions & SOP for re-import of returned jewellery exported through the courier mode on e-commerce platform

CBIC has issued conditions and restrictions for re-import of returned jewellery exported through the courier mode on e-commerce platforms. In this regard, amendment has been introduced in Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010.

Simplified regulatory framework and draft SOP for e-commerce exports of jewellery through Courier mode has been prescribed in this regard.

## FOREIGN TRADE POLICY (FTP)

### NOTIFICATION

#### Amendment in export policy of items under various HS codes of chapter 27 of Schedule 2 of ITC (HS) Export Policy

- Export policy conditions have been incorporated against export of items against the below mentioned HS codes;
- Against the HS Codes 27101241, 27101242, 27101243, 27101244 and 27101249, the condition is that the exporter is required to submit a self-declaration to the concerned Customs authority at the time of export confirming that 50% of the quantity mentioned in the shipping bill has been/will be supplied in the domestic market during the current financial year and 30% of the quantity against the HS codes 27101941, 27101944 and 27101949.
- However, export to Bhutan and Nepal is exempted from this condition. Similarly, this condition is not applicable to 100% EoUs and units in SEZs. Such exporters are also required to file quarterly return to the Ministry of Petroleum and Natural Gas (MoPNG).

[Notification no:14/2015-20 dated 30 June 2022]

#### Extension in deadlines for submission of applications under Merchandise Exports from India Scheme (MEIS) for exports

The last date of submitting applications under MEIS, for exports during the period 01 September 2020 to 31 December 2020, has been extended upto 31 August 2022.

[Notification no:15/2015-20 dated 01 July 2022]

### POLICY CIRCULAR

#### Clarification regarding Chip Import Monitoring System (CHIMS)

- Import of integrated circuits (ITC HS Codes: 85423100, 85423900, 85423200, 85429000, 85423300) shall require compulsory registration under the CHIMS.
- DGFT has clarified that the CHIMS is also applicable for air/sea shipments. The CHIMS registration can also be made on the same day of arrival of import. Importer may include multiple products in one registration number. However, for each shipment, a separate registration number is required.
- Further, it has been clarified that the microprocessors covered under ITC (HS) code 84733010 and memory modules under ITC (HS) code 84733099 are excluded from CHIMS.

[Policy Circular no:40/2015-20 dated 27 June 2022]

### PUBLIC NOTICE

#### Enlistment of Pre-shipment Inspection Certificate (PSIC) under para 2.55 of Handbook of Procedures (HBP) 2015-2020

M/s. Best Mulyankan Consultants Ltd. has been included as an agency for issuing PSIAs alongwith their approved equipments. Allowed additional areas of operation in respect of existing PSIAs (M/s. Mats Forest Pvt Ltd & M/s. Trumetric Global

Services Pvt Ltd) and allowed to add additional instruments in respect of existing PSIAs (M/s. Mats Forest Pvt Ltd, M/s. Trumetric Global Services Pvt Ltd & M/s. Cerins Co., Ltd.).

[Public notice no:16/2015-20 dated 24 June 2022]

### TRADE NOTICE

#### Migration of e-BRC portal/website to new IT platform

- Reference is invited to public notice no:2(RE-2012)/2009-14 dated 05 June 2012 through which electronic Bank Realisation Certificate (e-BRC) was introduced. The existing e-BRC platform (<http://dgftebrc.nic.in/>) is being managed by NIC-DGFT from 2012 onwards and has enabled us to capture details of realisation of export proceeds from the banks directly through secured electronic mode and facilitated implementation of various export promotion schemes in an IT environment;
- The existing e-BRC module is now being upgraded to a new IT platform and it is proposed to discontinue the earlier version (<http://dgftebrc.nic.in/>) from end of July 2022. Existing users of the e-BRC module i.e., the AD Banks will need to migrate to the new environment (<https://dgft.gov.in>) on an urgent basis so that services to the exporting community do not get impacted;
- In this regard Help Manual as well as FAQs have been made available to Bank Officials on the new portal after login.

[Trade notice no:13/2022-23 dated 30 June 2022]



## NEWS FLASH

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1. “Government hikes GST for household items”  
<https://www.thehindu.com/business/Economy/government-hikes-gst-for-household-items/article65582146.ece>  
[Source: The Hindu, 29 June 2022]
2. “Government hikes GST for cut & polished diamonds from 0.25% to 1.5%”  
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