

Changes in GST (Effective from 1st January 2022)

1. **Date of furnishing GSTR 9 and GSTR 9C** for the FY 2020-21 has been extended to February 28, 2022 (from Dec 31, 2021).
2. **ITC claims** will be allowed only when the details of such invoice or debit note have been furnished by the supplier in his GSTR-1 and subsequently, it **appears in GSTR-2A/2B**. So, the taxpayers can no longer claim 5% provisional ITC under the CGST Rule 36(4) and ensure every ITC value claimed was reflected in GSTR-2A/2B.
3. A registered taxpayer shall **not be allowed to file his GSTR-1** in case his GSTR-3B was not filed for preceding month (earlier he wasn't allowed to file GSTR-1 in case his GSTR-3B was not filed for preceding two months.)
4. Every Proprietor / Karta / MD/ WTD / Member of Managing Committee/ AOP/ BOI/ Society or Trustee or Authorized Signatory has **to undergo Aadhar authentication for GST Refund** Application under Rule 89 or Rule 96 and For **Filing of Revocation of Cancellation of Registration**.
5. **Expanded the scope of 'supply' to levy GST on supplies between the club/association and its members.**

Section 7(1) (aa) of the CGST Act, has been retrospectively inserted from 1st July,2017 which states that any activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration shall be considered as a Supply and consequently changes in Schedule II for rationalized to exclude Supply of goods by any unincorporated Body to Members.

6. **Closure of Proceedings u/s 73/74 (Demand/Recovery) will be independent of Proceedings u/s 129/130(Detention/Seizure)**

Section 74 stated that where the proceedings against the main person have been concluded under section 73 / 74, the proceedings against all such persons liable to pay penalty under sections 122, 125, 129 and 130 would have been deemed to be concluded. But after the amendment, Section 129 & Sec.130 has been removed and only proceedings under 122 & 125 would deem to be concluded thus resulting in proceedings of the detention, seizure & confiscation of goods and conveyances in transit (Sec.129&130) separate from the demand and recovery proceedings u/s 73 & 74.

7. **Section 75(12) - Self Assessed Tax shall be determined as furnished in Return u/s 37 (GSTR-1) and not as furnished in Return u/s 39 (GSTR-3B)**

Where a person furnishes the details of supply in GSTR 1 but did not include the same in GSTR 3B, then on the basis of GSTR 1 it will be presumed as self-assessed tax and accordingly demand can be raised.

8. Section 83 – Provisional attachment to protect revenue in certain cases

During the pendency of proceedings, the commissioner is now empowered to provisionally attach the property including the bank accounts belonging to the taxable person / any person who has retained benefits of offences under 122(1A) by order in writing.

9. Section 107 – Appeals to Appellate Authority

For filing an appeal against the penalty order issued under Section 129, a pre-deposit of 25% of the penalty amount is made mandatory, as against 10% of the tax in dispute previously.

10. Section 129 – Detention, seizure and release of goods and conveyances in transit:

Enhancement of Penalty

Situation	Taxable Goods	Exempt Goods
When owner comes forward – Sec 129(1)(a)	Penalty equal to 200% of tax payable (earlier penalty – 100% Tax)	Lowest of 2% of the value of goods or Rs. 25,000/- (no change)
When owner does not come forward – Sec 129(1)(b)	Penalty equal to higher of 50% of value of goods or 200% of the tax payable on such goods (earlier penalty – 50% of value of goods)	Lowest of 5% of the value of goods or Rs. 25,000/- (no change)

11. Section 151 – Power to collect statistics / Information by Commissioner

Commissioner or any officer authorised by him is now empowered to sought any information from any person as he may require for the conduct of any proceedings.

12. Bar on disclosure of information under Section 152

Sec 152(1) has been amended now to result in that if any information obtained through return or otherwise has to be disclosed for any proceeding under the

Act, the same cannot be done without giving an opportunity of personal hearing.

Sec 152(2) Provision to Access to data so obtained has now been omitted.

13. Changes in E-commerce Sector/ GST Rates

a) Restaurant Service

E-commerce operators shall be liable to pay GST @5% on supply of restaurant services made through them and shall pay the entire GST liability in cash For restaurant supplies made by restaurants located at specified premises, burden to pay GST will remain with restaurant.

b) Transportation of Passengers

Services by way of transportation of passengers by an omnibus or any other motor vehicle has become under the ambit of GST. Meaning thereby for transportation of passenger by non-airconditioned stage carriage through e-commerce operator, e-commerce operator shall be liable to collect and pay GST.

It should be noted that these provisions will not be applicable to local passenger transport services provided by auto-rickshaws/cab through offline/ manual mode, which attract no taxes.

c) Footwear Sector

Rate of GST on footwear, sale value not exceeding INR 1,000/-, shall increase from 5% to 12%.