



# EFFECTIVE DATE FOR THE AMENDMENTS PROPOSED BY THE FINANCE (NO. 2) ACT, 2024

The Finance (No. 2) Act, 2024 (FA) had *inter alia* amended various provisions of the Central Goods and Services Tax Act, 2017 (CGST Act), Integrated Goods and Services Tax Act, 2017 (IGST Act), Union Territory Goods and Services Tax Act, 2017 (UTGST Act) and GST (Compensation to States) Act, 2024 (GST Compensation Cess Act). The Central Government has now issued a notification stipulating the date on which the following amendments would come into effect.

## Amendments to be effective from 27 September 2024

- **Section 16 of CGST Act:** Effective 1 July 2017, the following amendments have been made to Section 16 of the CGST Act:
  - Time limit for claiming input tax credit (ITC) in respect of Invoice/Debit notes for FY 2017-18 to FY 2020-21 has been extended till 30 November 2021, if the same has been claimed in the GST returns.
  - Time limit for claiming ITC in respect of the returns filed after revocation of cancellation of GST registration shall be later of the following dates:
    - 30 days from the date of the order of the said revocation; or
    - Time limit provided under Section 16(4) of the CGST Act (i.e. 30 November w.e.f. 1 October 2022).
  - Further, no refund shall be available in respect of taxes already paid or where ITC has been reversed.

[Sections 118 and 150 of FA]

- **Section 109 and 171 of CGST Act:**
  - Government may empower the Principal Bench of the GST Appellate Tribunal (GSTAT) for conducting examination or adjudication of anti-profiteering cases. Government is also empowered to notify sunset clause for accepting applications for requesting anti-profiteering investigations.
  - Accordingly, the Principal Bench of the GSTAT is empowered to examine or adjudicate anti-profiteering cases. Further, the Government is also empowered to notify other cases/ class of cases that shall be heard only by the Principal Bench of the GSTAT.

[Sections 142 and 148 of FA]

## Amendments to be effective from 1 November 2024

- **Section 9 of CGST Act, Section 5 of IGST Act and Section 7 of UTGST Act:** GST is not leviable on un-denatured Extra Neutral Alcohol (ENA) or Rectified Spirit used for the manufacture of alcoholic liquor for human consumption.

[Sections 114, 151 and 155 of FA]

- **Section 11A of CGST Act, Section 6A of IGST Act, Section 8A of UTGST Act and Section 8A of GST Compensation Cess Act:** Government is empowered to regularise non-levy/short levy of GST (including GST Compensation Cess) where such non/short levy is a result of practice generally prevalent.

[Section 116, 152, 156 and 157 of FA]

- **Sections 13 and 31 of CGST Act:** The 'Time of Supply' of services in respect of procurements from unregistered suppliers attracting GST liability under the Reverse Charge Mechanism is now also linked to the date of self-invoice that is required to be issued by the recipient of service. Further, the Government is also empowered to prescribe a time limit within which the self-invoice is to be issued by the recipient. Further, an unregistered supplier would also include a person who is registered solely for deducting tax under Section 51 of the CGST Act.

[Section 117 and 122 of FA]

- **Section 17 of CGST Act:** Removal of restrictions to claim ITC in respect of taxes paid pursuant to the following:

- Demands alleging Fraud, Wilful misstatement or Suppression of facts (under Section 74 of CGST Act) from FY 2024-25 onwards; and
- Detention/ seizure and confiscation of goods or conveyances.

*[Section 119 of FA]*

- **Section 54 of CGST Act and Section 16 of IGST Act:** The option to claim a refund of IGST paid on a 'Zero-rated' supply of goods leviable to export duty has been restricted. *[Sections 128 and 153 if FA]*
- **Section 70 of CGST Act:** An Authorised representative is empowered to appear on behalf of a summoned person. *[Section 135 of FA]*
- **Sections 73, 74 and 74A of CGST Act:**
  - An amended provision in the form of Section 74A has been introduced to provide for the determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards.
  - Consequential amendments have been carried out in Sections 73 and 74 of CGST Act to limit the application of these provisions till FY 2023-24.

*[Sections 136, 137 and 138 of FA]*

- **Sections 107 and 112 of CGST Act and Section 20 of IGST Act:**
  - Maximum amount as pre-deposit for filing appeal before the First Appellate Authority has been reduced to INR 200mn for CGST and 200mn for SGST.
  - Maximum amount as pre-deposit for filing appeal before the GSTAT has been reduced to 10% (subject to the maximum amount of INR 200mn CGST, INR 200mn SGST and INR 400mn for IGST).
  - The GSTAT is now empowered to condone delay in filing appeals by tax authorities for up to 3 months, in line with powers to condone delays in filing appeals by taxpayers.
  - Further, **with effect from 1 August 2024**, the time limit for filing an appeal before the GSTAT shall be three months commencing from:
    - Date of communication of order against which the appeal is being filed; or
    - Such date as may be notified,
whichever is later.

*[Sections 141, 143 and 154 of FA]*

- **Section 122 of CGST Act: Effective 1 October 2023**, the penal provisions under this provision would be applicable only to e-commerce operator, who is required to collect tax at source under Section 52 of CGST Act. *[Section 144 of FA]*
- **Section 128A of CGST Act:** GST Amnesty scheme for a waiver of interest or penalty or both relating to demands under Section 73 of CGST Act for FY 2017-18 to FY 2019-20 has been introduced. The scheme shall be subject to the prescribed conditions and restrictions. *[Section 146 of FA]*
- **Section 140 of CGST Act:** The transitional credit on input services received by Input Service Distributor would be available irrespective of whether such invoices were received prior to, on or after 1 July 2017. *[Section 147 of FA]*
- **Schedule III to CGST Act:** The following activities/ transactions would neither be treated as supply of goods nor supply of services:
  - Apportionment of co-insurance premium by Lead insurer to Co-insurer for insurance services jointly supplied by the said Lead insurer and Co-insurer, subject to Lead insurer paying GST on the entire amount of premium paid by the insured; and
  - Services by Insurer to Re-insurer for which ceding commission/re-insurance commission is deducted from re-insurance premium paid by insurer to re-insurer, subject to re-insurer paying GST on gross re-insurance premium payable by insurer to re-insurer (including ceding / re-insurance commission).

*[Section 149 of FA]*

- **Miscellaneous amendments:**
  - Section 30 of CGST Act to provide that the revocation of cancellation of GST registration shall be subject to such conditions and restrictions as may be prescribed. *[Section 121 of FA]*
  - Section 39 of CGST Act to provide for mandatory filing of TDS returns even if no deductions are made. Such filings to be made within the prescribed time limits. *[Section 124 of FA]*
  - Provisions of Sections 10, 21, 35, 49, 50, 51, 61, 62, 63, 64, 65, 66, 75, 104, 107 and 127 of CGST Act have been amended to incorporate reference of the newly introduced Section 74A of the CGST Act. *[Section 115, 120, 123, 125, 126, 127, 129, 130, 131, 132, 133, 134, 139, 140, 141 and 145 of FA]*

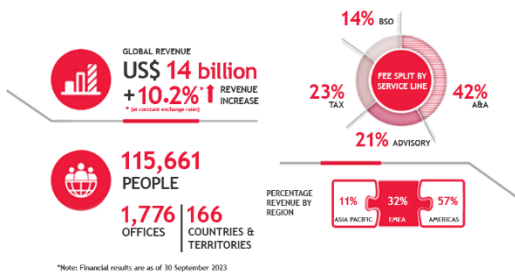
## BDO in India Comments

The recent notification stipulating the effective date of FA amendments proposed under the GST law has generated significant interest among taxpayers and businesses. Of particular note is the introduction of the GST Amnesty Scheme under Section 128A of the CGST Act. While the basic framework of the scheme has been outlined, stakeholders are eagerly awaiting a more detailed explanation of the specific conditions, eligibility criteria, and limitations that will govern its operations. The clarity on these areas will be instrumental in the scheme's effectiveness and its potential impact on taxpayer compliance and revenue generation.

*(Source - Notification No. 17/2024-Central Tax Dated 27 September 2024)*

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For any content related queries, you may please write to the service line experts at [taxadvisory@bdo.in](mailto:taxadvisory@bdo.in)

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