

Updation of 54th GST Council Meeting dated 09/09/2024

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To the point

Changes/ Clarifications regarding GST rates (goods and services) recommended

Changes in Goods rates

- Namkeens and Extruded/Expanded Savoury food products falling under HS 19059030 to be reduced from 18% to 12% prospectively
- GST rate on specified cancer drugs recommended to be reduced from 12% to 5%
- RCM recommended to be introduced on supply of metal scrap by unregistered person to registered person provided the supplier shall take registration as and when it crosses threshold limit and the recipient who is liable to pay under RCM shall pay tax even if supplier is under threshold
- Recommended TDS of 2% on supply of metal scrap by registered person in case of B2B supply
- Roof Mounted Package Unit (RMPU) air conditioning machines for railway would be recommended to be classified under HSN 8415 attracting a GST rate of 28%
- Car seats classified under 9401 rate will be recommended to be increased to 28% from 18% align with the GST rate for motorcycle seats, ensuring parity

Changes in Services rates and clarifications

- Group of Ministers (GoM) recommended to be formed to address GST issues related to life and health insurance and is expected to submit its report by the end of October 2024
- GST rate on transport of passengers by helicopters @ 5%. Charter of helicopters remains at 18%
- RCM on renting of commercial property by unregistered person to a registered person
- Recommended to exempt and regularize import of services by Foreign airlines company
- Clarification to be issued confirming that preferential location charges paid before the completion certificate are part of a composite supply with construction services

- Circular to be issued to clarify that GST is exempt on DGCA-approved flying training courses and application fees for providing electricity connection, rental charges against electricity meter, shifting meters etc.
- Recommended to exempt on research and development services by a Government Entity or research association, university, college or other institution
- Clarification to be issued regarding affiliation services provided by educational boards and universities
- Clarification to be issued when ancillary/intermediate services provided by GTA will constitute a composite supply

B. Measures for facilitation of trade

- Rule 164 being recommended to be inserted in CGST Rules, 2017 providing for the procedure and conditions for waiver of interest or penalty or both under Section 73 for FY 2017-18 to FY 2019-20 as per section 128A of CGST Act. Payment of tax to be made on or before 31 March 2025. This will be notified from 01 November 2024
- Council recommended notifying a special procedure under section 148 of the CGST Act for rectifying orders issued under sections 73, 74, 107, or 108, where input tax credit was wrongly denied due to non-compliance with section 16(4) but is now available under sections 16(5) or 16(6), provided no appeal has been filed. A circular to be issued to clarify the procedure and related issues for implementing these provisions
- Clarification proposed for Amendments in rule 89 and rule 96 of CGST Rules, 2017 where benefit of concessional/ exemption notifications specified has been availed on the inputs
- Clarification to be issued to remove ambiguity and legal disputes on the following:
 - Place of Supply of advertising services provided by Indian advertising companies to foreign entities
 - Availability of Input Tax Credit on demo vehicles by the dealers of the vehicle manufacturers
 - Place of Supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India

C. Compliance related changes

- Roll out of a pilot for B2C e-Invoicing, following the successful implementation of e-invoicing in the B2B sector (pilot will be rolled out on voluntary basis in selected Sectors and States)
- Introduction of RCM ledger, an Input Tax Credit Reclaim ledger and an Invoice Management System (IMS). Last date to declare opening balance for these ledgers by 31st October 2024
- IMS will provide taxpayers with an optional tool to manage invoices for Input Tax Credit, aiming to reduce errors and notices related to ITC mismatches