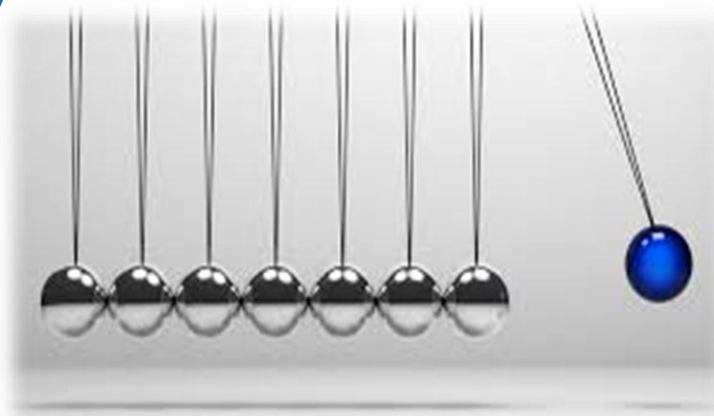


REGISTRATION JOB WORK & E-COMMERCE UNDER GST

-CA Ashish Chaudhary
-Partner, Hiregange & Associates

1



REGISTRATION



2

TAXABLE PERSON

- Tax to be payable by taxable person – section 8(2)
- Taxable person as defined in sec- 10
 - A registered person
 - A person liable to be registered even if not registered
 - Distinct person – A person with more than one registration – distinct person for each such registration
 - Establishment registered or required to be registered separately – distinct person

REQUIREMENT OF REGISTRATION UNDER GST – SEC 23

- Liability- state wise
- Registration within 30 days from liability–persons under Schedule V
- Separate registration for each of the **states from where supply made**
- Within state- option of taking separate registration for different verticals
- ITC between different verticals not permitted cross utilised- unless actual supply

REQUIREMENT OF REGISTRATION– SEC 23

- Person already registered under existing law – no need to apply for fresh
- Voluntary registration – person not covered in sch. V – all provisions of the Act to apply
- Person fails to obtain registration – proper officer shall proceed registration.

SCHEDULE V- PERSON LIABLE TO BE REGISTERED

- Every supplier shall be liable to take registration in the **state from where** he makes a taxable supply.
- If aggregate turnover exceeds Rs. 20 lacs (10 lacs in NE)
- Aggregate Turnover means the aggregate value of all:
 - taxable supply;
 - exempt supplies;
 - Interstate supply of goods/services, and
 - exports of goods and/or services
- of a person having the same PAN, to be computed on all India basis and excludes taxes, if any, charged under the CGST Act, SGST Act and the IGST Act

ILLUSTRATIONS

	Haryana	Gujarat	Delhi
<u>Case 1</u>			
Taxable Supply	5 lacs	2 lacs	1 lac
Exempted Supply	25 lacs	Nil	Nil

<u>Case 2</u>			
Taxable Supply	5 lacs	2 lacs	Nil
Exempted Supply	Nil	3 lac	2 lacs
Export	Nil	10 lacs	Nil

<u>Case 3</u>			
Taxable Supply	Nil	Nil	Nil
Non Taxable Supply	Nil	10 lacs	Nil
Export	15 lacs	Nil	Nil

ILLUSTRATIONS

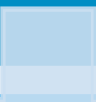
- A manufacturer has five factories in Haryana and sale office in 3 states (including Haryana). It also has centralised service tax registration at Haryana. What would be difference in registration requirements under GST?

Total Present Registration: 5 (excise) + 3 (VAT) + 1 (Service Tax) = 9


Registration under GST: 3 (in 3 states) {In each state, registration would be with both CG and SG. But only one registration number and certificate would be issued for each state}

LOCATION OF SUPPLIER OF SERVICE


(i) where a supply is made from a place of business for which registration has been obtained, the location of such place of business ;



(ii) where a supply is made from a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;



(iii) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and




(iv) in absence of such places, the location of the usual place of residence of the supplier;




SCHEDULE V



- Aggregate turnover > 20 lakhs



- Aggregate turnover > (NE & Sikkim)- 10 lakhs



- Supply by job worker – included in turnover of principal and not job worker.



- Person registered under previous law; liable to be registered



- Business by taxable person transferred as going concern – successor needs to be registered



- Incase of amalgamation or de-merger of two companies by order of HC, liable to get registered wef date of such transfer



- Persons not liable to be registered -

- Person engaged exclusively in supply that are not liable to tax
- Agriculturist, for the purpose of agriculture

CASES WHERE THRESHOLD EXEMPTION NOT AVAILABLE

Required to be registered: Irrespective of threshold limit

Person engaged in Interstate supply

Casual taxable persons

Person required to pay tax under RCM

Non-resident taxable persons

Persons required to deduct tax u/s 46

Persons required to collect tax u/s 56

Supply made on behalf of other taxable person, as agent or otherwise

Input service distributor

Supply of goods/services except those in 8(4) through such
Electronic commerce operator who is required to collect tax u/s 56

Electronic commerce operator

Person supplying online information and database access or retrieval
services from a place outside India to a place within India

Other persons as maybe notified

CASUAL TAXABLE PERSON REGISTRATION

- “casual taxable person” means a person who occasionally undertakes transactions involving supply of goods and/or services in the course or furtherance of business whether as principal, agent or in any other capacity, in a taxable territory where he has no fixed place of business
- Concept taken from VAT. Whether workable in case of service?
- Reg to be taken for 90 days. Further extension 90 days
- Advance deposit of estimated tax liability.
- All compliance to be made as regular taxable person

NON RESIDENT TAXABLE PERSON

- “non-resident taxable person” means a taxable person who occasionally undertakes transactions involving supply of goods and/or services whether as principal or agent or in any other capacity but who has no fixed place of business in India;
- Provision similar to casual taxable person

INPUT SERVICE DISTRIBUTOR - REG

- Separate registration to be taken as Input Service Distributor
- Credit of only input service to be distributed
- Not necessarily head office. Branch office may also.
- Deemed supply between different taxable person of same supplier vs ISD.

COMPOSITE LEVY - REG

- Registration to be taken as composition dealer.
- Reg as composition dealer in one state – to be registered as composition dealer in other state
- On crossing threshold limit – registration as normal taxable person

MIGRATION TO GST

MIGRATION PROPOSED

- Enrollment in GST portal www.gst.gov.in
- Provisional id will come from tax officer;
- Update profile information and uploading of documents;
- Enrollment is being done on staggered manner;
- Login using username and password provided and later to give their own username and PW.

ENROLMENT PLAN

States	Start Date	End Date
Puducherry, Sikkim	08/11/2016	23/11/2016
Gujrat, Maharashtra, Goa, Daman and Diu, Dadra Nagar Haveli, Chhattisgarh	14/11/2016	29/11/2016
Odisha, Jharkhand, Bihar, West Bengal, Madhya Pradesh, Assam, Tripura, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram	30/11/2016	15/12/2016
Uttar Pradesh, Jammu and Kashmir, Delhi, Chandigarh, Haryana, Punjab, Uttarakhand, Himachal Pradesh, Rajasthan	16/12/2016	31/12/2016
Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh	01/01/2017	15/01/2017
Service Tax Registrants	01/01/2017	31/01/2017

VARIOUS REGISTRATION FORM & CONTENTS

Sl N.	Form No	Details
1	GST REG-01	Application for registration u/s 19(1)
2	GST REG-02	Acknowledgement
3	GST REG-03	Notice for seeking Additional Information
4	GST REG-04	Application for filing additional information
5	GST REG-05	Order of Rejection of Application
6	GST REG-06	Registration Certificate issued under Section 19(8A)
7	GST REG-07	Application for registration under Tax Deductor /Tax collector
8	GST REG-08	Order of cancellation of Application as Tdr/TCr u/s 21
9	GST REG-09	Application for allotment of UID to UN Bodies u/s 19(6)
10	GST REG-10	Application for registration for non resident taxable person
11	GST REG-11	Application for amendment in Particulars subsequent to Registration
12	GST REG-12	Order of amendment of existing registration
13	GST REG-13	Order of Cancellation of registration

VARIOUS REGISTRATION FORM & CONTENTS

Sl N.	Form No	Details
14	GST REG-14	Application for cancellation of registration
15	GST REG-15	Show cause notice for Cancellation of registration
16	GST REG-16	Order for cancellation of registration
17	GST REG-17	Application for Revocation of Cancelled registration
18	GST REG-18	Order for approval of Application for renovation of cancelled registration
19	GST REG-19	Notice for Seeking Clarification relating to application
20	GST REG-20	Application for Enrolment of Existing taxpayer
21	GST REG-21	Provision registration Certificate to Existing taxpayer
22	GST REG-22	Order of Cancellation of Provisional certificate
23	GST REG-23	Intimation of discrepancies in application for enrolment of Existing taxpayer
24	GST REG-24	Application for Cancellation of reg. for migrated taxpayer not liable to reg.
25	GST REG-25	Application for extension of registration period by casual/NR taxable person
26	GST REG-26	Form for Field Visit Report

JOB WORK



20

MEANING OF JOB WORK

General	Present	GST Regime
<ul style="list-style-type: none">■- No definition under existing law under CE & Custom- Defined only in Jobs done in 214/86 CE dt.25.03.1986 and CCR	<ul style="list-style-type: none">-- Processing or working upon RM, Semi-FG- Supplied to job-worker- To complete some processes- Resulting in mfr or finishing of an article	<ul style="list-style-type: none">-- Undertaking any treatment or process- By a person- On goods- belonging to another registered taxable person

JOB WORK UNDER EXCISE

Excise duty is on manufacture.

Duty liability arises only when goods are manufactured during Job Work

The test whether amounts to manufacture or not determined in section 2(f) of CE Act, 1944

Manufacture includes any process incidental or ancillary to the completion of a manufactured product

Ntn.214/86 Jobworker need not pay ED, if such duty has been paid by the principal mnfr. with the support of declaration.

JOB WORK UNDER SERVICE TAX

Process amounting to manufacture – Not liable to ST – Covered under negative list


Process not amounting to manufacture – Liable to ST

However, entitled for exemption under Notf. 25/2012

Exemption when appropriate duty paid by principal mnfr.

Appropriate duty not paid – Liable to ST

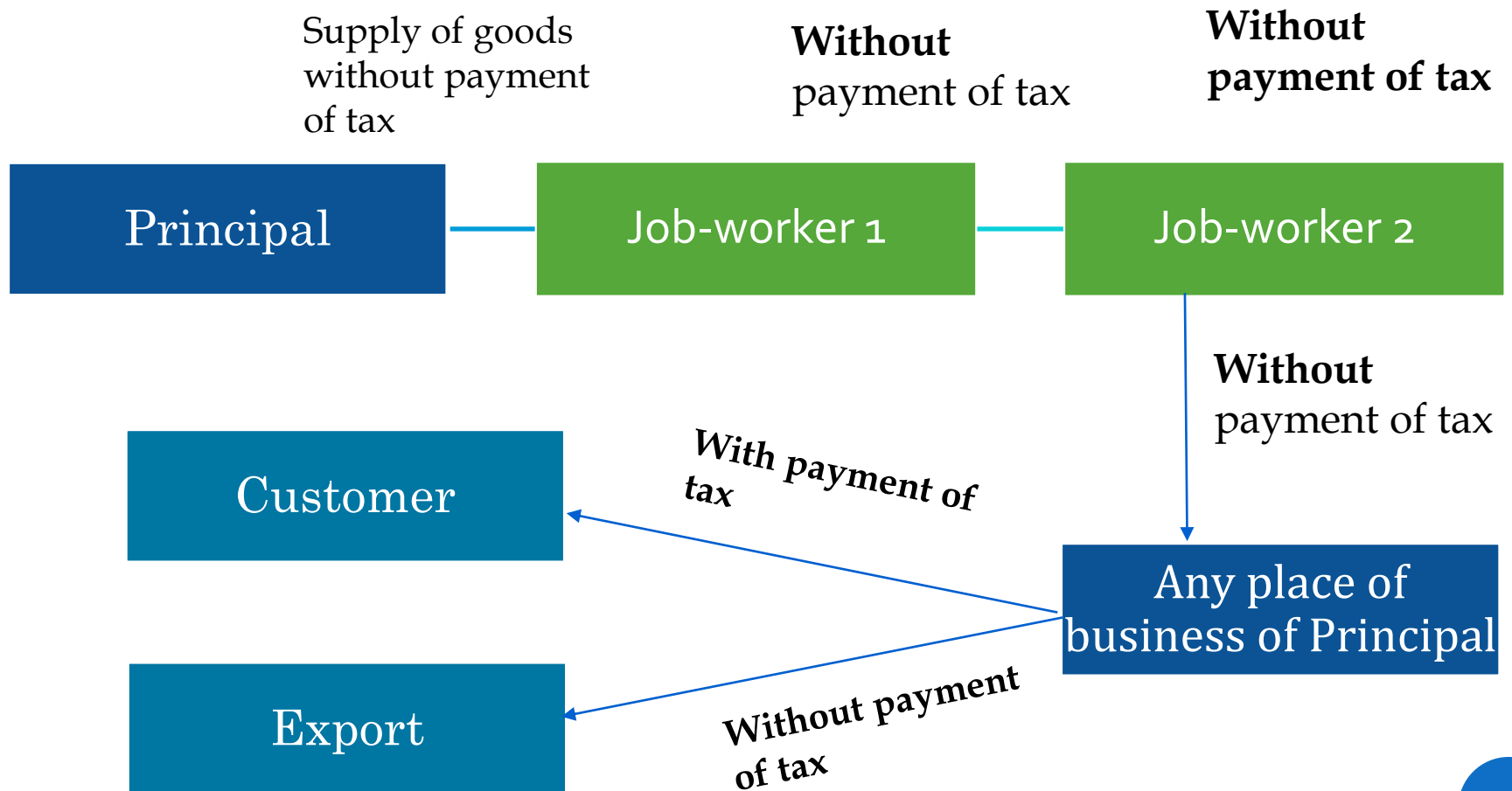
JOB WORK UNDER VAT

- 
- In most of the States - "Sale" includes the transfer of property in goods (same or other form) in execution of works contract

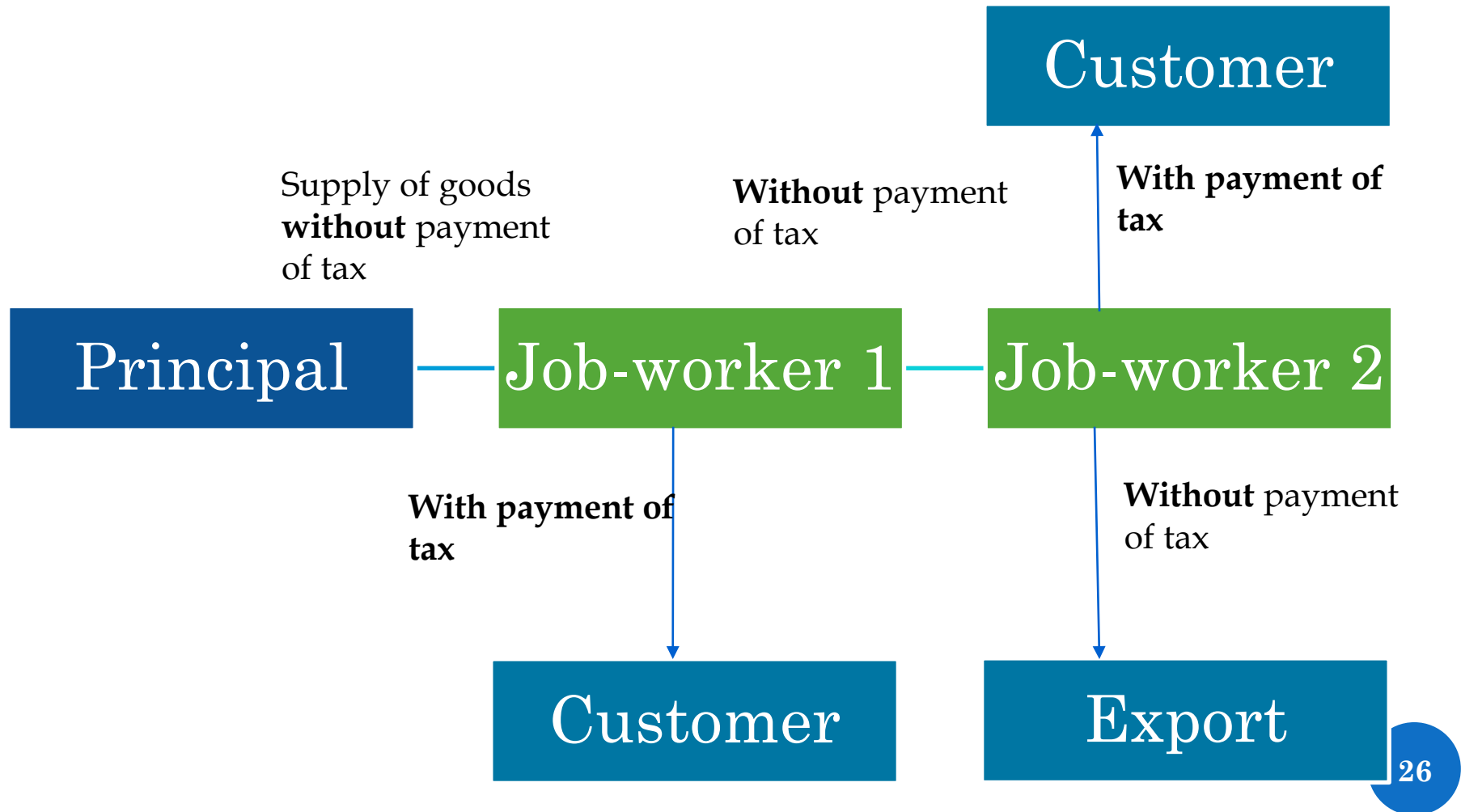
- Job worker employing only labour in the contract and there is no transfer of material, then there is no levy of VAT/CST for such labour contract

- Job worker uses own goods in addition to the inputs supplied by the manufacturer, the job worker would be liable to VAT/CST on the cost of material.

JOB WORK UNDER GST



JOB WORK UNDER GST



CONDITION TO SUPPLY GOODS FROM JOB WORKER PLACE

Principal should declare the place of job worker as his additional place.

Such declaration not req. where:

- Job worker- registered u/s 23
- Supply of goods as maybe notified

INPUT TAX CREDIT

inputs sent to JW-
Principal can take
credit

Inputs sent directly
to job worker –credit
available to principal

Capital goods-credits
to principal

CG sent directly to
job worker –credit
available to principal

Not applicable for
moulds & dies, jigs &
fixtures or tools sent
to JW

INPUTS / CGs / SCRAP – DEEMED TO BE A SUPPLY

- Inputs sent for JW by principal has not received back within 1 year -
**then shall be deemed to be supplied by the principal to Job worker-
on the day when these were sent**
- If CGs sent for JW by principal has not received back within 3 year -
**then shall be deemed to be supplied by the principal to Job worker -
not applicable to moulds & dies, jigs & fixtures or tools**
- Waste/ Scrap generated during JW – supplied by the Job worker
directly, if reg; if not reg - supplied by the principal

OTHER POINTS

Supply of goods to job worker– treated a supply??

Finished goods cleared directly from Job worker premises – **Not to be included in taxable turnover of job worker**

The principal is responsible and accountable for all the transactions between him and the job worker

After one year- issues of valuation, credits to JW, invoicing??

E COMMERCE



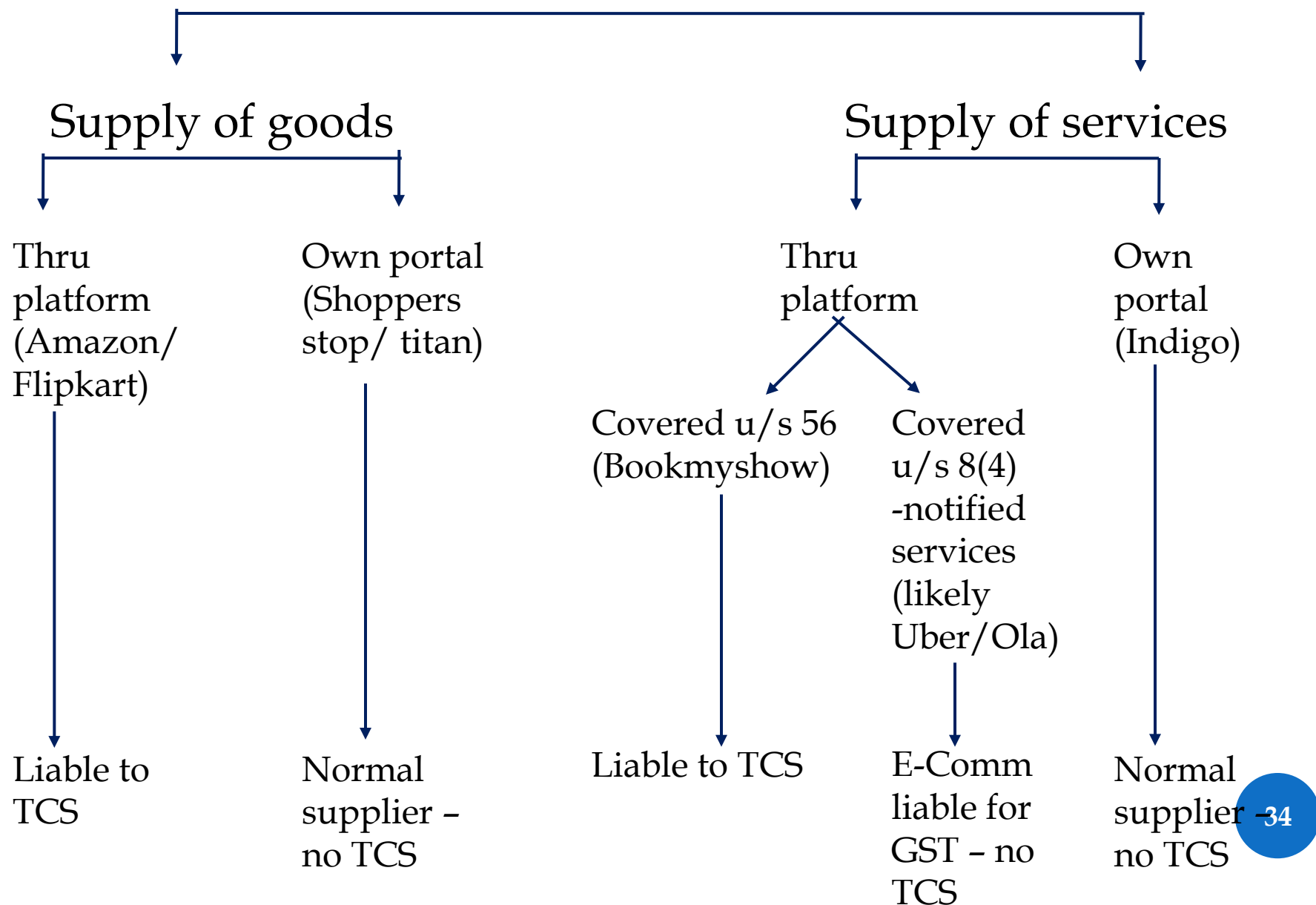
DIFFICULTIES FACED BY E-COM BUSINESS

- **Difficulty in categorizing** the offerings into 'goods' or 'services'
- Both VAT and service tax authorities claim their right over such digital transactions leading to **disputes**
- VAT and service tax results in significant **non-recoupable tax cost impact** for the e-commerce sector.
- For **discounts**, even though the actual consideration paid by the customer is reduced, the service tax and VAT authorities are proposing that **taxes should be levied on the full value of the sale**, with no regard for the discounts.

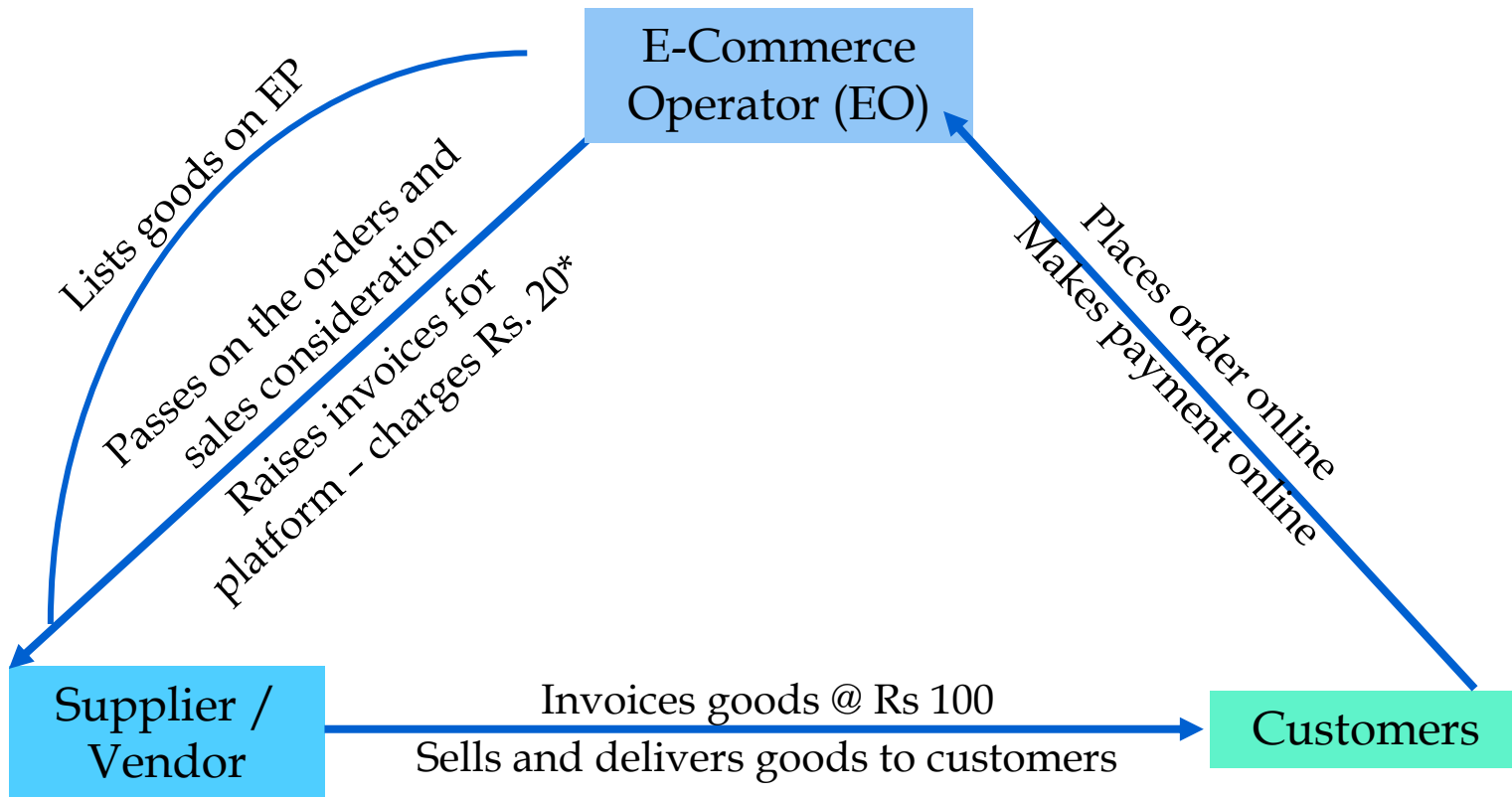
ELECTRONIC COMMERCE – MEANING

- Electronic commerce – it means the supply of goods and/or services including digital products over digital or electronic network.
- Electronic commerce operator – means any person who *owns, operates or manages* digital or electronic facility or platform for electronic commerce.
- Concept of TCS introduced – section 56

E-COMMERCE TRANSACTIONS



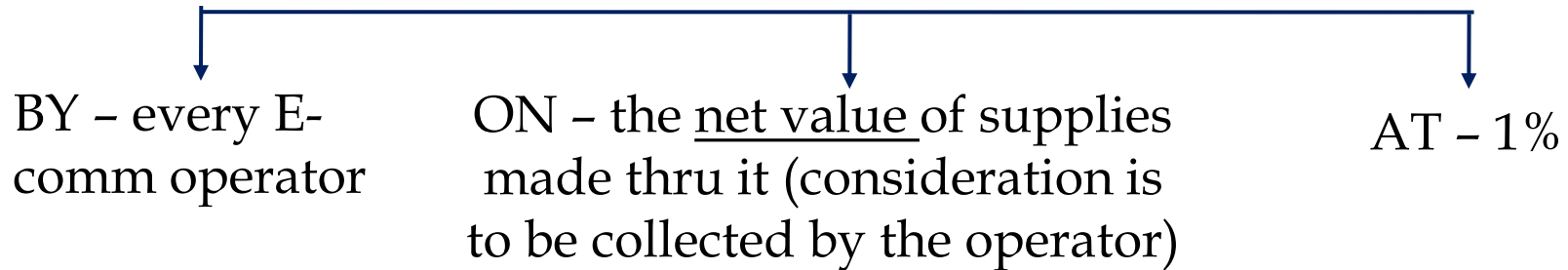
E-PLATFORM – BASIC MODEL



*Platform charges include – Listing fees, refund processing fees, payment handling fees

COLLECTION OF TAX AT SOURCE – SEC 56

Tax collection at source



- Net value – Value of supply made during month – supplies returned
- Furnish statement of TCS collected (GSTR-8) within 10 days of month
- TCS to be paid before 10th

COLLECTION OF TAX AT SOURCE – SEC 56

Section	Particulars	Obligations
56(5)	Matching of details	Matching of following: <ul style="list-style-type: none">• Details furnished in the statement filed by operator• Corresponding details of outward supplies furnished by the concerned supplier in his valid return
56(6)	Mismatch of aforesaid details	Communication of mismatch to both parties
56(7)	Failure to rectify discrepancy	To be added to liability of supplier – where details furnished by operator exceeds details by supplier
56(8)	Obligation of supplier on mismatch – addition	Payment of tax and interest

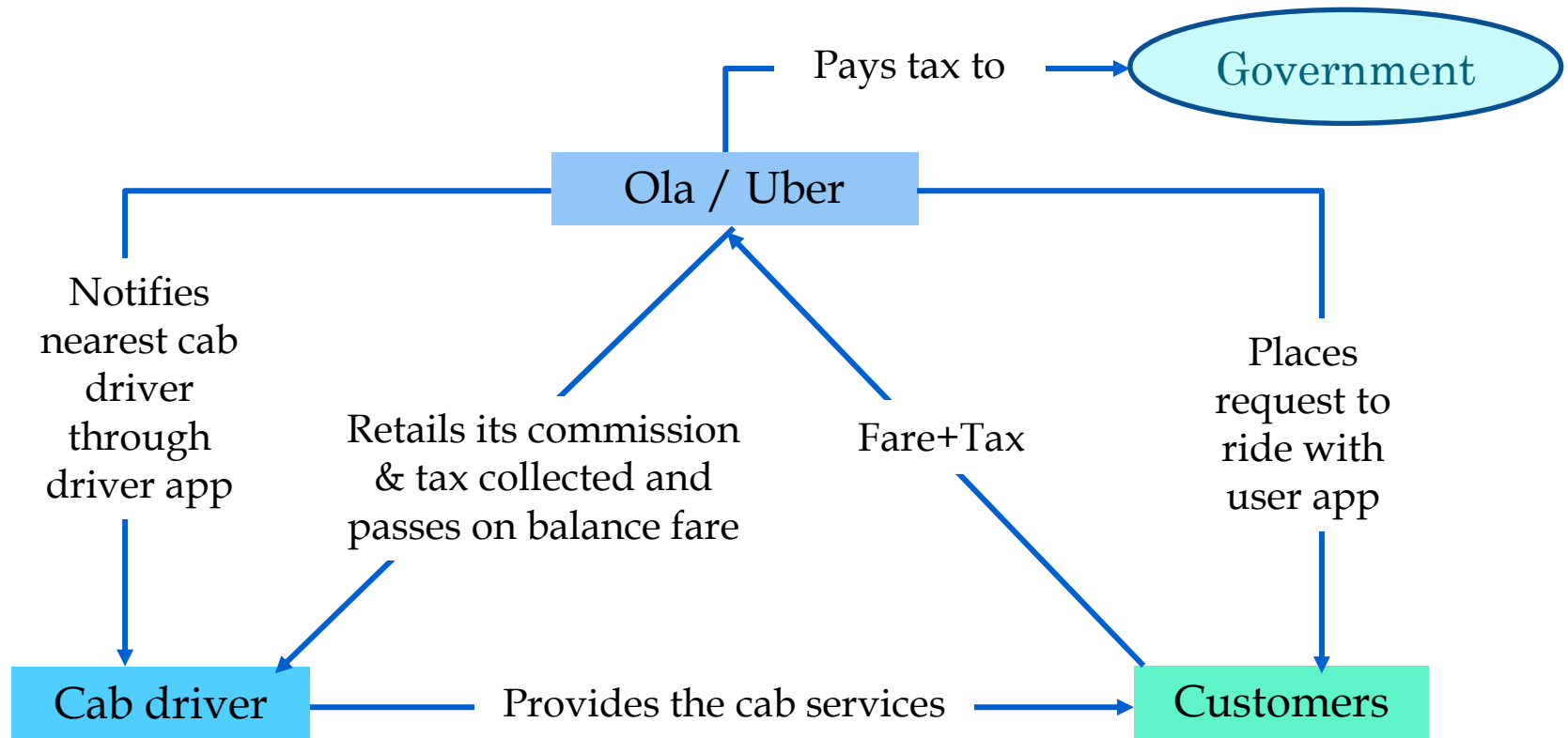
SUPPLY THRU E-COM OPERATOR – U/S 56

Particulars	E-Com operator	Supplier of goods/ services
Registration	Yes	Yes
Person liable to pay tax	In respect of supply made to supplier - commission etc.	On actual supply
Threshold exemption	Not eligible	Not eligible
TCS	Liable to collect @1% on net value of taxable supply thru portal (where consideration received by portal)	Claim set off of TCS collected by E-com
Invoicing	For supply of service to supplier	For actual supply of goods/service to recipient
Filing of return	GSTR – 8 (for TCS) Other normal returns	Normal returns
Composition scheme	N/A	N/A

AGGREGATOR - LEVY – SEC 8(4)

- The CG or SG may notify specify categories of services, the tax on which shall be paid by the E-comm operator
- All the provisions applying to a E-comm operator shall apply
- Provided, where an E-comm operator does not have a physical presence in a taxable territory, any person representing such E-Comm operator shall be liable to pay tax
- If there is no representative in the taxable territory, such E-Comm operator shall appoint a person for the purpose of paying tax.

AGGREGATOR – BASIC MODEL



SUPPLY THRU E-COM OPERATOR – U/S 8(4)

Particulars	E-Com operator	Supplier of goods/ services
Registration	Yes	No
Tax liability	In respect of supply made by supplier (similar to RCM)	Not liable
Threshold exemption	Not eligible	N/A
TCS	N/A	N/A
Invoicing	Either party – with registration number of E-Com operator	
Filing of return	Normal returns	N/A

CHALLENGES

- Working capital issues to supplier – no threshold limit
- Working capital issues to operator - mainly in COD cases
- Registration challenges – possibility of centralized registration being envisaged
- Operator acting in all 3 capacities – multiple challenges



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