

E FILLING UNDER SERVICE TAX ACT

MOTTO FOR INTRODUCTION OF E FILLING

GOI & CBEC under the national e-governance plan and it aims at improving taxpayer services, transparency, accountability and efficiency in the indirect tax administration in India, rolled-out a new centralized, web-based and workflow-based software application called Automation of Central Excise and Service Tax (ACES), for capturing returns and registration details of the assesses under Central Excise & Service Tax.

BENEFITS UNDER E FILLING

1. Reduce Physical Interface with the Department.
2. Save Time
3. Reduce Paper Work
4. Online Registration and Amendment of Registration Details
5. Electronic filing of all documents such as applications for registration, returns, claims, permissions and intimations; provisional assessment request, export-related documents, refund request, etc.
6. System-generated E-Acknowledgement
7. Online tracking of the status of selected documents
8. Online view facility to see selected documents

PROCEDURE FOR REGISTRATION WITH ACES:

- ▶ Before obtaining registration for service tax, person needs register himself/herself with ACES on their website at www.aces.gov.in through the process called "New users to Register with ACES".
- ▶ Registration with ACES helps the module to recognize bonafied user, whereby enabling user to generate a unique and self chosen "User ID".
- ▶ Registration module calls for following information's:
 - i. Mandatory Information's:
 - a) User name,
 - b) Email address for communications,
 - c) Name of the Unit,
 - d) Designation of person making registration,
 - e) First Name, i.e. to help module recognize the user, however it is not compulsory that application for service tax registration would be from the same name.
 - ii. Non-Mandatory Information's:
 - a) Middle name,
 - b) Last name,
 - c) Phone Number, and
 - d) Mobile Number.

On successful application, user will receive an email from the ACES providing a temporary password, through which they should login to the ACES module, user will be directed for change password which they can remember, as user will be provided with only three attempts for logging, else account will be blocked.

SERVICE TAX REGISTRATION APPLICATION:

As per the provisions of section 69 of the Act and rule 4 of the Service Tax Rules, 1994, every person liable to pay service tax is required to register with the Central Excise / Service Tax department.

Once registration with ACES has been completed, user can now make application for service tax registration under Form ST-1.

Before logging verify your jurisdictional office for making service tax application under ST-1 through the link provided under "Know your location code".

User can now login through username & password to proceed for statutory registration under service tax through "Reg" link on top of the screen on menu bar.

Finance ministry in present budget has brought changes in registration procedures in order to simplify and make registration faster for **single premises**, which has been introduced by CBEC through the "Order 01/2015-ST dated 28/02/2015" as under;

Procedure to be followed for registration

- (i) Applicants seeking registration for a single premise in service tax shall file the application online in the Automation of Central Excise and Service Tax (ACES) website www.aces.gov.in in Form ST-1 under link provided through "Reg".
- (ii) **PAN requirement Mandatory:** Registration shall mandatorily require that the Permanent Account Number (PAN) of the proprietor or the legal entity being registered be quoted in the application with the exception of Government Departments for whom this requirement shall be non-mandatory. Applicants, who are not Government Departments shall not be granted registration in the absence of PAN. Existing registrants, except Government departments not having PAN shall obtain PAN and apply online for conversion of temporary registration to PAN based registration within three months of this order coming into effect, failing which the temporary registration shall be cancelled after giving the assessee an opportunity to represent against the proposed cancellation and taking into consideration the reply received, if any.
- (iii) **E-mail and mobile number mandatory:** The applicant shall quote the email address and mobile number in the requisite column of the application form for communication with the department. Existing registrants who have not submitted this information are required to file an amendment application by 30-4-2015.
- (iv) Once the completed application form is filed in ACES, registration would be granted online within 2 days, thus initiating trust-based registration. On grant of registration, the applicant would also be enabled to electronically pay service tax.
- (v) Further, the applicant would not need a signed copy of the Registration Certificate as proof of registration. Registration Certificate downloaded from the ACES web site would be accepted as proof of registration dispensing with the need for a signed copy.

All the information in the form ST-1 should be properly filled, i.e.

- a. Name in which registration is required.
- b. Constitution of the applicant.
- c. PAN number (As service tax numbers are PAN based).
- d. Applying as provider, recipient i.e. under reverse charge or input service distributor of service.
- e. Address for which registration is sought. However Address of applicant & address of premise for registration can be different.
- f. Proper location code should be mentioned.

Documentation required

The applicant is required to submit a **self attested copy** of the following documents by **registered post/ Speed Post** to the concerned Division, **within 7 days** of filing the Form ST-1 online, for the purposes of verification:-

- (i) **Copy of the PAN Card of the proprietor or the legal entity registered.**
- (ii) **Photograph and proof of identity of the person filing the application** namely PAN card, Passport, Voter Identity card, Aadhar Card, Driving license, or any other Photo-identity card issued by the Central Government, State Government or Public Sector Undertaking.
- (iii) **Document to establish possession of the premises to be registered** such as proof of ownership, lease or rent agreement, allotment letter from Government, No Objection Certificate from the legal owner.
- (iv) **Details of the main Bank Account.**
- (v) **Memorandum/Articles of Association/List of Directors.**
- (vi) **Authorisation by the Board of Directors/Partners/Proprietor** for the person filing the application.
- (vii) **Business transaction numbers obtained from other Government departments or agencies** such as Customs Registration No. (BIN No), Import Export Code (IEC) number, State Sales Tax Number (VAT), Central Sales Tax Number, Company Index Number (CIN) which have been issued prior to the filing of the service tax registration application.

Powers for Verification of premises

Where the need for the verification of premises arises, the same will have to be authorised by an officer not below the rank of Additional /Joint Commissioner.

Revocation of Registration certificate

The registration certificate may be revoked by the Deputy/Assistant Commissioner in any of the following situations, after giving the assessee an opportunity to represent against the proposed revocation and taking into consideration the reply received, if any:

- (i) the premises are found to be non-existent or not in possession of the assessee.
- (ii) no documents are received within 15 days of the date of filing the registration application.
- (iii) the documents are found to be incomplete or incorrect in any respect.

Procedure Centralised registration (Trade Notice No. 03/2011-12-ST)

- (i) A Service Provider desiring to obtain Centralized Registration for the first time for all their branches or converting from single registration/s to Centralised Registration, shall make an online application in ST-1 Form on

the website www.aces.gov.in. After making online application, the print-out of the ST-1 application along with required documents as given in Annexure – I, shall be filed to the office to the jurisdictional Divisional Deputy / Assistant Commissioner.

- (ii) Along with the application, details of the Branches to be included in the Centralized Registration and other relevant information like details of Show Cause Notices pending adjudication, pending appeals, Audit conducted, Court cases etc. for each branch (which is an existing Service Tax registered assessee) should also be filled. These information are required to be given in Annexure– II. After grant of Centralized Registration, copy of said Annexure shall be sent by the Divisional Officer to the respective jurisdictional Service Tax office-in-charge of erstwhile branch office, to transfer the relevant records to this office for taking further action and to update the records. Applicants are requested to be careful in providing full and correct information. In case of incomplete or wrong information, the Centralized Registration may be considered for cancellation.
- (iii) It is clarified that in terms of provisions of Rule 4(2)(iii) of the Service Tax Rules 1944 (as amended), the Centralized Registration can be requested only in the cases where there is system of Centralized Billing or Centralized Accounting system. The assessee shall provide a write-up stating as to how they are satisfying the condition of Centralized Billing or Centralized Accounting. For this purpose, certain information are also required to be filled, as per Annexure – III of the trade notice.
- (iv) Further, the assessee seeking the Centralized Registration shall file an Undertaking on their Letter Head as per Annexure – IV of the Trade Notice. The main purpose of the said Undertaking is that after obtaining Centralized Registration, the assessee shall be bound to produce the required information to the Department for taking necessary action like issue of Show Cause Notice or conducting Audit, etc.
- (v) As a measure of simplification, it is clarified that branches for which registration has already been obtained, no further documents regarding address proof would be called for, in case the address remains the same, as found available on Registration Certificate namely ST-2.
- (vi) After the Centralized Registration is granted, the assessee shall surrender their single registration in respect of each branch and intimate to the jurisdictional Divisional Assistant Commissioner/Deputy Commissioner within a period of two months. They will also inform to the AC/DC, Service Tax, under whose jurisdiction Centralized Registration has been given, the amount of cenvat credit lying in balance in each branch, on the date of obtaining the Centralized Registration, with a period of 15 days of obtaining the Centralized registration.
- (vii) In case of application for amendment in Centralized Registration Certificate, required documents to be filed have been given in Annexure –V.

Till the date of communication of granting of Centralized Registration, the assessee should continue to make service tax payment to the existing jurisdictional office and follow procedure as provided in the law for each of the premises regularly.

The Authorized Signatory of the applicant should ensure that all the columns in the ST-1, including the declaration are duly completed. The entries should be correctly and legibly filled in order to avoid delay in issuance of the registration. Only legible copies of the documents should be submitted to the department.

Other option available under registration module:

1. Amend registration:
Any amendment required to be carried out against existing registration certificate granted by statutory authority under service tax can be amended through these application.
2. Withdrawal of registration application.
3. View registration history.
4. View last amended application under approval.

E-PAYMENT OF TAX

Once registration has been granted under Form ST-2 by authority, it gets linked with the payment portal.

As per sub-rule 2 of rule 6 for Service Tax rules w.e.f 01/10/2014, "Every assessee shall electronically pay service tax payable by him, through internet banking." Provided that the assistant commissioner or deputy commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit service tax by any mode other than internet banking.

For effecting payment, assessees can access the ACES website (<http://www.aces.gov.in/>) and click on the e-payment link that will take them to the EASIEST portal (<https://cbec.nsdl.com/EST/>) or they can directly visit the EASIEST portal

Procedure for e-Payment:

- (i) To pay Excise Duty and Service Tax online, the assessee has to enter the 15 digit Assessee Code allotted by the department under erstwhile SACER/SAPS or the current application ACES.
- (ii) There will be an online check on the validity of the Assessee Code entered. Only if the assessee has been registered in ACES (either in Central Excise or in case of Service Tax), will be validation be successful.
- (iii) If the Assessee code is valid, then corresponding assessee details like name, address, Commissionerate Code etc. as present in the Assessee Code Master will be displayed.
- (iv) Based on the Assessee Code, the duty / tax i.e. Central Excise duty or Service Tax to be paid will be automatically selected.
- (v) The assessee is required to select the type of duty / tax to be paid by clicking on Select Accounting Codes for Excise or Select Accounting Codes for Service Tax, depending on the type of duty / tax to be paid.
- (vi) At a time the assessee can select up to six Accounting Codes.

- (vii) The assessee should also select the bank through which payment is to be made.
- (viii) On submission of data entered, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the screen, it will be directed to the net-banking site of the bank selected.
- (ix) The taxpayer will login to the net-banking site with the user id/ password, provided by the bank for net-banking purpose, and will enter payment details at the bank site.
- (x) On successful payment, a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment made.

E-FILLING OF SERVICE TAX RETURN

The assesses can electronically file service tax by choosing one of the two facilities being offered by the department at present;

- (a) they can file it online, or
- (b) download the off-line return utilities which can be filled-in off-line and uploaded to the system through the internet.

a. Steps for preparing and filing returns

- (i) Returns can be prepared and filed on line by selecting the "File Return" option under RET module after logging into the ACES.
- (ii) All validations are thrown up during the preparation of the return in this mode and the status of the return filed using the online mode is instantaneously shown by ACES.
- (iii) Returns can also be prepared and filed off-line. Assessee downloads the Offline return preparation utility available at <http://www.aces.gov.in> (Under Download)
- (iv) Prepares the return offline using this utility. The return preparation utility contains preliminary validations which are thrown up by the utility from time to time.
- (v) Assessee logs in using the User ID and password.
- (vi) Selects RET from the main menu and uploads the return. Instructions for using the offline utilities are given in detail in the Help section, under "Download" link and assesseees are advised to follow them.
- (vii) Returns uploaded through this procedure are validated by the ACES before acceptance into the system which may take up to one business day. Assessee can track the status of the return by selecting the appropriate option in the RET sub menu. The status will appear as "uploaded" meaning under process by ACES, "Filed" meaning successfully accepted by the system or "Rejected" meaning the ACES has rejected the return due to validation error. Rejected returns are considered as returns not filled. However rejected returns can be resubmitted after corrections.
- (viii) Assessee can revise Service Tax returns only once as per rules up to 90 days from the date of filing the initial return.

Filling up the return data

1. All Green Cells are areas where data can be entered.
2. You are not allowed to enter any data in the Grey Cells.
3. You can use this ST3 Excel Utility for the ST3 return to be filed for the period/s, October 2012 to March 2013 and thereafter.
4. All the fields marked with asterisk (*) are mandatory. You have to compulsorily provide data for these fields.
5. If any mandatory field is left empty, then the ST3-Return Excel utility will not allow you to proceed further for generating XML file.
6. Data provided must be in correct format, otherwise ST3-Return Excel utility will not allow you to proceed further for generating XML file.

Filling data for "Return" sheet:

- (i) Return Period:
The Financial Year should be entered as full year (eg. 2012-2013) and the Return period should be selected from the drop-down. Please note that this ST3 Excel Utility is meant for the period, 2012-2013 October-March and thereafter.
- (ii) Registration details:
Enter Registration number. Name need not be entered as the same will be fetched from the database upon uploading the file.
- (iii) Option for LTU:
If you are an assessee falling under any of the Large Taxpayer Units (LTU's), then change the option to "Yes" in serial no. A 6.1. The field, 'name of the LTU opted for' is disabled for any entry of input as the same will be fetched from system upon uploading.
- (iv) Select the constitution of assessee carefully as mentioned in registration.
- (v) Taxable Service(s) for which Tax is being paid:
Select the name or names of the taxable service/s from the dropdown provided.
- (vi) There is provision for adding new row for selecting more than one taxable service. For adding new row, fill all the details in previous row and click on 'Add Service' button. The utility will add new 'Payable' sheet for every Taxable Service entered on Return sheet.

Filling data for "Payable-Service" sheet:

Enter the details like 'value of taxable service' for Service Provider (amount received) or Service Receiver (amount paid) or both (whichever applicable), education cess payable, secondary and higher education cess payable, exemption/abatement notification details (if applicable), Service Tax rate wise breakup of taxable value. You have to fill 'Payable-Service' sheet for each Service you have mentioned in 'Return' sheet.

1. For availing exemption, user must select 'Yes' in A11.1 and Exemption Notification No. and Sl.No. if any, against which such exemption has been availed, in A11.2. User has to select the appropriate Notification No. and Sl.No. to avoid errors.
2. For availing abatement, user must select 'Yes' in A12.1 and Abatement Notification No. and Sl.No. if any, against which such abatement has been availed, in A12.2. User has to select the appropriate Notification No. and Sl.No. to avoid errors.

3. Gross amount for which bills/invoices/challans are issued against taxable service provided or agreed to be provided or received/agreed to be received (in case of service receiver), which are taxable on accrual basis, as per the Point of Taxation Rules is to be mentioned in this column
- (A) it includes,-
- (a) amount charged towards exported service,
 - (b) amount charged towards exempted service (other than export of service),
 - (c) amount charged as a pure agent, and
 - (d) amount includible in terms of Rules 5(1) & 6(1) of the Service Tax (Determination of Value) Rules, 2006
- (B) it excludes
- (a) amount received in advance i.e., before provision of services for which bills or invoices or challans or any other documents may not have been issued, because it has to be shown in column B1.2;
 - (b) amount taxable on receipt basis, which is applicable to individuals and partnership firms whose aggregate value of taxable services during previous financial year was less than or equal to rupees fifty lakh and he opts to pay tax at the time when payment is received by him in respect of taxable value of rupees fifty lakh* in the financial year to which return relates as per third proviso to Rule 6(1) of Service Tax Rules, 1994, for which bills or invoices or challans or any other documents may not have been issued, because it has to be shown in column B1.3;
 - (c) Amount taxable for the services provided for which bills or invoices or challans or any other documents may not have been issued, (this amount has to be entered in Row No. B1.4.)
 - (d) Service Tax;
 - (e) Education Cess; and
 - (f) Secondary and Higher Education Cess
4. The value of consideration charged (or paid in case of service receiver), other than money, is to be estimated in equivalent money value of such consideration in terms of the Service Tax (Determination of Value) Rules, 2006 (to be entered in row B1.5 / B2.6.)
- 'Consideration' includes any amount that is payable for the taxable services provided or to be provided, as defined in Explanation to Section 67 of the Act.
5. In case of some services, the liability to pay Service Tax has been placed on the recipient of service in terms of sub-section (2) of section 68 of the Finance Act, 1994 read with Rule 2(1)(d)(i) of the Service Tax Rules, 1994. In respect of such services, the amount on which Service Tax is payable has to be shown as calculated in terms of Rule 7 of Point of Taxation Rules, 2011.(Partial reverse charge). To enter the amount on which Service Tax is payable under partial reverse charge under B1.6 / B2.7.
6. In case of service tax payable under partial reverse charge, the liability to pay Service Tax has been placed on the recipient of service in terms of sub-section (2) of section 68 of the Finance Act, 1994 read with Rule 2(1)(d)(i) of the Service Tax Rules, 1994. In respect of such services, the amount on which Service Tax is payable has to be shown as calculated in terms of Rule 7 of Point of Taxation

Rules, 2011. (Partial reverse charge). To enter the amount on which Service Tax is payable under partial reverse charge under B1.6 / B2.7:

7. Amount of export of service included in row B1.1, which is exempt as per POT'S rule to be shown in row B1.8 also claiming deduction of said amount from the gross amount.
8. 'Exempted Service' refers to the taxable service which is exempt, for the time being, from payment of Service Tax under a notification including such portion of service which is covered under partial reverse charge payable by receiver or provider as the case may be, other than by way of abatement in row B1.9 and/or B2.9.
9. 'Pure Agent' has been defined in Explanation 1 to Rule 5 of the Service Tax (Determination of Value) Rules, 2006 in row B1.10 and/or B2.10.
10. Abatement' refers to the part of value of taxable service which is not includible in the taxable value for payment of Service Tax through notification under Section 66B of the Finance Act, 1994 in row B1.11 and/or B2.11.
11. Any deduction, which is not mentioned in any other clause, from gross value of taxable service has to be provided (For example, deduction of property tax paid in respect of the taxable service of renting of an immovable property in terms of Rule 6(4C) of Service Tax Rules, 1994 read with Notification No. 29/2012-ST, dated 20th June, 2012) in row B1.12 and/or B2.12.
12. Tax Rate: The applicable Advalorem tax rate respect of services of 'Booking of tickets for Air Travel provided; 'Insurer carrying on life insurance business'; 'Purchase or sale of foreign currency including money changing'; and 'Distributors and selling agents or persons assisting in organizing lottery' and Specific tax rate should be entered in B1.15/B1.16 and/or B2.15/B2.16. The system will automatically calculate the Service Tax Payable amount in B1.17 and/or B2.17.
13. Education Cess: The education cess is calculated at 2% of the Net Service Tax payable (B1.19/B2.19).
14. Secondary and Higher Education Cess: The Secondary and Higher Education cess is calculated at 1% of the Net Service Tax payable (B1.19/B2.19).
15. Advance payment of service tax in terms of rule 6(1A) of Service Tax Rules are required to mentioned in row D3/E3/F3.
16. Adjustment for excess amount of service tax paid as per rule 6(3) Service Tax Rules 1994 i.e. in respect of taxable service not provided wholly or by the service provider or where the amount of invoice is re-negotiated, are required to be mentioned in row D4/E4/F4.
17. Adjustment for excess amount of service tax paid as per rule 6(4A) Service Tax Rules 1994 i.e. Service Tax amount paid in preceding months or quarter, which

is in excess of the Service Tax liability for such month or quarter, are required to be mentioned in row D5/E5/F5.

18. Adjustment for excess amount of service tax paid as per rule 6(4C) Service Tax Rules 1994 i.e. Service Tax amount paid in preceding months or quarter, which is in excess of the Service Tax liability for such month or quarter on account of non-availment of deduction of property tax paid are required to be mentioned in row D5/E5/F5.
19. Government Departments who are liable for service tax for the services provided by them but the payment of the same is effected by way of 'adjustment of entries' and not by Cash are required to be mentioned in row D7/E7/F7.
20. Any payment by way of interest, penalty, arrears, excess collection, etc. to be entered in row G1 to G11.
21. Payment made through Cash & adjustments made as per rule 6(3) and 6(4A), to be entered in row H1 & H2 respectively.
22. CENVAT details are required to be provided in schedule "I", with separate rows for CENVAT on Input, Capital Goods & Input services.
23. Details for distribution by Input Service Distributor are required to be provided in schedule "J".

MAINTENANCE OF RECORD IN ELETRONIC MODE

Authentication of document through Digital Signature

A new sub-rule 4C has been inserted under rule 4 of the Service Tax Rules, 1994, whereby any invoice, bill or challan issued under rule 4A or consignment note issued under rule 4B may be authenticated by means of a digital signature.

A new sub-rule 4 has been inserted under rule 5 of the Service Tax Rules, 1994, for preserving records in electronic mode by authenticating on every page through digital signature.

Word "Authenticate" has been defined as defined under "Information Technology Act" which defines as section 3;

Authentication of electronic records.

- (1) Subject to the provisions of this section any subscriber may authenticate an electronic record by affixing his digital signature.
- (2) The authentication of the electronic record shall be effected by the use of asymmetric crypto system and hash function which envelop and transform the initial electronic record into another electronic record.

Explanation.—

For the purposes of this sub-section, "hash function" means an algorithm mapping or translation of one sequence of bits into another, generally smaller, set known as "hash result" such that an electronic record yields the same hash result every time the algorithm is executed with the same electronic record as its input making it computationally infeasible—

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From: CA. Hemang Ramesh Shah

- (a) to derive or reconstruct the original electronic record from the hash result produced by the algorithm;
- (b) that two electronic records can produce the same hash result using the algorithm.
- (3) Any person by the use of a public key of the subscriber can verify the electronic record.
- (4) The private key and the public key are unique to the subscriber and constitute a functioning key pair.

Word "Digital Signature" has been defined as defined under "Information Technology Act"

As per section 2(p), "Digital Signature" means authentication of any electronic record by a subscriber by means of an electronic method or procedure in accordance with the provisions of section 3.

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THANK YOU

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From:
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