



**The Centre of Excellence for GST
(Division of UPACA Gurukul)**

GST: Time and Value of Supply

Course on GST – WIRC, ICAI

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ICAI Tower, BKC

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The Centre of Excellence for GST



Topics to be covered in Detail

Act	Section No.
GST Act, 2017	<ul style="list-style-type: none">Section 12 – Time of Supply of GoodsSection 13 – Time of Supply of ServicesSection 14 – Change in rate of TaxSection 15 - Value of Supply.<ul style="list-style-type: none">- Valuation RulesSection 31 – Tax Invoice ,Credit Notes and Debit Notes<ul style="list-style-type: none">- Provisions of E-way Bill- Relevant Transition Provisions

Relevant Section for the present Session



- Section 12 –Time of Supply of Goods
- Section 13 –Time of Supply of Services
- Section 14 – Change in rate of Tax
- Section 15 - Value of Supply.
 - Valuation Rules
- Section 31 – Tax Invoice ,Credit Notes and Debit Notes
 - Provisions of E-way Bill
 - Relevant Transition Provisions



Relevant Definition

- Section 2(32) – Continuous Supply of Goods
- Section 2(33) – Continuous Supply of Services
- Section 2(93) – Recipient
- Section 2(96) – Removal
- Section 2(98) – Reverse Charge
- Section 2(105) – Supplier
- Section 2 (118) - Voucher

Defination

- Sec 2 (96) “removal” in relation to goods, means—
 - (a) despatch of the goods for delivery by the supplier thereof or by any other person acting on behalf of such supplier; or
 - (b) collection of the goods by the recipient thereof or by any other person acting on behalf of such recipient;

- Sec 2 (98) “reverse charge” means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or subsection (4) of section 5 of the Integrated Goods and Services Tax Act;

- Sec 2 (93)“recipient” of supply of goods or services or both, means—
 - (a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
 - (b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
 - (c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied;



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- Sec 2 (103) “**supplier**” in relation to any goods and or services shall mean the person supplying the said goods and/or services and shall include an agent acting as such on behalf of such supplier in relation to the goods and/or services supplied;

Sec 12 -Time of supply of Goods



- 12 (2) The time of supply of goods shall be the earlier of the following dates, namely:—
 - (a) the date of issue of invoice by the supplier or the last date on which he is required, under sub-section (1) of section 31, to issue the invoice with respect to the supply; or
 - (b) the date on which the supplier receives the payment with respect to the supply:



Tax Invoice

- 31. (1) A registered person supplying taxable goods shall, before or at the time of,—
- (a) removal of goods for supply to the recipient, where the supply involves movement of goods; or
- (b) delivery of goods or making available thereof to the recipient, in any other case,
- issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:
- Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.

Example

Sr NO	Particulars	Date of Removal	Date of invoice	Date made available to recipient	Date of receipt of payment	Time of supply
	Supply involves movement of goods	21/4/17	22.04.17	21.04.17	20.06.17	21.04.17
	Case (a)	21.05.17	20.05.17	26.05.17	10.08.17	20.05.17
	Case (b)	10.06.17	11.06.17	16.06.17	09.05.17	09.05.17
	Case (c)					
	Case apart from (1)	NA	18.05.17	16.05.17	21.07.17	16.05.17



Reverse Charges- Goods

12(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely:—

- (a) the date of the receipt of goods; or
- (b) the date of payment as entered in the books of account of the recipient
- (c) the date immediately following thirty days from the date of issue of invoice



Supply of Vouchers

- 12(4) In case of supply of vouchers by a supplier, the time of supply shall be—
 - (a) the date of issue of voucher, if the supply is identifiable at that point; or
 - (b) the date of redemption of voucher, in all other cases.



Explanation:

- Sec 2 (118) “voucher” means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;



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12(5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—

(a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or

(b) in any other case, be the date on which the tax is paid.

- 12 (6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

Continuous supply of goods



- In case of continuous supply of goods, where successive statements of accounts or successive payments are involved,
- the invoice shall be issued before or at the time each such statement is issued or,
- as the case may be, each such payment is received.

(The examples could be supply of gas through a pipeline or RMC supplied to site or TV signals through cables.)



Defination

- Sec 2(32) “continuous supply of goods” means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;
- Sec 2 (33) “continuous supply of services” means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify;



Goods sent on approval

The invoice in respect of goods sent or taken on approval for sale or return shall be

- issued before or at the time of supply or
- six months from the date of approval, whichever is earlier.

Ex Section 12 (5) - CGST - Goods sent/taken on approval basis or sale/return or similar terms

If a machine is sent to a recipient, Time of supply of goods shall be the earliest of the following dates

Date of Removal	Date of receipt by recipient	Date of approval	Date of expiry of 6 months from the date of removal	Time of supply
10/7/17	20/7/17	11/8/17	9/1/18	11/8/17
14/6/17	19/6/17	awaited	13/12/17	13/12/17



Sec 13- Time of supply of services

- (2) The time of supply of services shall be the earliest of the following dates, namely:—
 - (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - (b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:



Tax Invoice

- (2) A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:
- Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—
 - (a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
 - (b) tax invoice may not be issued.

Situation	Date of Completion of Services	Date of Invoice	Date of receipt of payment	Time of supply of services
Invoice issued within prescribed period of completion of service	16/4/17	20/4/17	28/4/17	20/4/17
Invoice issued within prescribed period of completion of service	30/9/17	1/10/17	24/9/17	24/9/17
Invoice issued after the prescribed period of completion of service	16/4/17	16/8/17	28/5/17	15/5/17
Invoice issued after the prescribed period of completion of service	10/6/17	18/8/17	30/4/17	30/4/17



Time of Supply of services – Reverse Charge

Where tax is payable on reverse charge basis, the time of supply is

- date of payment or
- 60 days from the date of issue of invoice by the supplier. (Earlier of two)
- Again, please note that in view of the definition of reverse charge in section 2(98), the above provision does not apply to payment of tax by an electronic commerce operator under subsection 4 to section 8 of the Law.



Sec 13 (4) and (5)

- (4) In case of supply of vouchers by a supplier, the time of supply shall be—
 - (a) the date of issue of voucher, if the supply is identifiable at that point; or
 - (b) the date of redemption of voucher, in all other cases.

- (5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—
 - (a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
 - (b) in any other case, be the date on which the tax is paid.

Continuous supply of services



- In case of continuous supply of services,
 - (a) where the due date of payment is ascertainable from the contract, the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of the service;
 - (b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf;
 - (c) where the payment is linked to the completion of an event, the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.



Transitional Provisions

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- **Misc provisions**

- **Progressive/periodic supply of goods/services**

- **Taxability of supply of services in certain cases**

- **Taxability of supply of goods in certain cases**

- **Import of services or inter state supply of goods and/or services made on or after the appointed date**

Progressive/periodic supply of goods/ services

In section 12 and 13, no tax shall be payable on the supply of goods or services or both made on or after the appointed day where the consideration,

- whether in full or in part, for the said supply has been received prior to the appointed day and
- the duty or tax payable thereon has already been paid under the earlier law.

Taxability of supply of services in certain cases

- In the situations where the point of taxation in respect of taxable services arose before the appointed day. In such cases, the tax in respect of such transactions shall be
- payable under the earlier law to the extent the point of taxation in respect of such services arose before the appointed day.
- In other cases, tax shall be payable under GST.

(The point of taxation in respect of services is presently determined in terms of the Point of Taxation Rules, 2011.)

Taxability of supply of goods in certain cases

- In the situations where the point of taxation in respect of taxable goods arose before the appointed day. In such cases, the tax in respect of such transactions shall be
- payable under the earlier law to the extent the point of taxation in respect of such services arose before the appointed day.
- In other cases, tax shall be payable under GST.

(The point of taxation shall be determined in terms of the Central Excise Law or respective State VAT Law, whichever is relevant).

Import of services or inter state supply of goods and/or services made on or after the appointed date



- This section provides that no tax under IGST Act would be payable on import of service or inter-State supply of goods and / or services if the transaction was initiated before the date of implementation of GST, and tax on import or inter-state supply had been paid in full under the earlier law.
- (b) If tax on import of services is partly paid under the earlier law (Service tax law), only the balance amount of tax (as payable under the IGST Act) would be payable on such import of services.



Change in rate of tax (Sec 14)

- The time of supply, where there is a change in the rate of tax in respect of goods or services or both, shall be determined in the following manner, namely:—
 - (a) in case the goods or services or both have been supplied before the change in rate of tax,—
 - (i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or
 - (ii) where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or
 - (iii) where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

- (b) in case the goods or services or both have been supplied after the change in rate of tax,—
 - (i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or
 - (ii) where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier;
 - (iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice:

Supplied	Issue of Invoice	Receipt of Payment	Time of Supply
Before	After	After	Date of Invoice or Receipt of Payment, which ever is earlier
Before	Before	After	Date of Issue of Invoices
Before	After	Before	Date of Receipt of Payment
After	Before	Before	Date of Invoice or Receipt of Payment, which ever is earlier
After	Before	After	Date of Receipt of Payment
After	After	Before	Date of Issue of Invoices



Value of taxable supply.(Sec 15)

- 15. (1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where
 - ✓ the supplier and the recipient of the supply are not related and
 - ✓ the price is the sole consideration for the supply

Transaction Value INCLUDES:

- ♣ Amounts charged by supplier to recipient in respect of any taxes, duties, cesses, fees and charges levied under any statute, other than taxes paid under GST regime;
- ♣ Amount incurred by Recipient which is liable to be paid by the Supplier;
- ♣ Charges by Supplier to Recipient being:
 - a) Incidental expenses (e.g.packing, commission)
 - b) Charges for anything done by the Supplier at the time or before the supply, in respect thereof



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- c) Interest or late fee or penalty for delayed payment of any consideration for any supply; and
- d) Subsidies directly linked to the price excluding subsidies provided by the Central and State Government.

Transaction Value EXCLUDES discount:



- ♣ Before/ at the time of supply
- Single condition: Such discount is duly recorded in the invoice

- ♣ After the supply: Cumulative conditions:
- Agreement establishing discount entered into before/ at the time of supply Discount specifically linked to relevant invoices

- ITC reversed by the recipient to the extent of discount

Q . Whether post-supply discounts or incentives are to be included in the transaction value?

- *Ans. Yes. where the post-supply discount is established as per the agreement which is known at or before the time of supply and where such discount specifically linked to the relevant invoice and the recipient has reversed input tax credit attributable to such discount, the discount is allowed as admissible deduction under Section 15 of the model GST law.*

Q . Whether pre-supply discounts allowed before or at the time of supply are includible in the transaction value?

- *Ans. No, provided it is allowed in the course of normal trade practice and has been duly recorded in the invoice.*



Defination of related person

- For the purposes of this Act,—
 - a) persons shall be deemed to be “related persons” if—
 - (i) such persons are officers or directors of one another’s businesses;
 - (ii) such persons are legally recognised partners in business;
 - (iii) such persons are employer and employee;
 - (iv) any person directly or indirectly owns, controls or holds twenty- five per cent or more of the outstanding voting stock or shares of both of them;
 - (v) one of them directly or indirectly controls the other;
 - (vi) both of them are directly or indirectly controlled by a third person;
 - (vii) together they directly or indirectly control a third person; or they are members of the same family;

- (b) the term “person” also includes legal persons;
- (c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be relate



Valuation Rules

1. Value of supply of goods or services where the consideration is not wholly in money .
2. Value of supply of goods or services or both between distinct or related persons, other than through an agent
3. Value of supply of goods made or received through an agent
4. Value of supply of goods or services or both based on cost
5. Residual method for determination of value of supply of goods or services or both

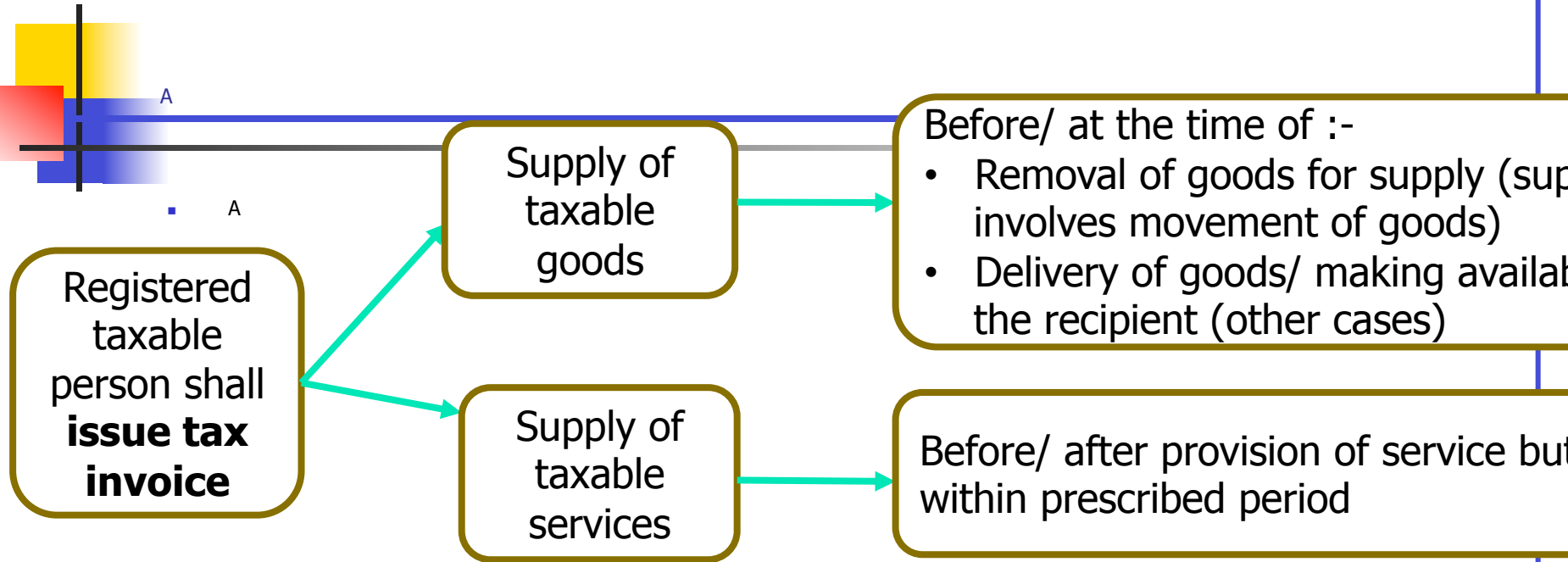
6. Determination of value in respect of certain supplies

- The value of supply of services in relation to purchase or sale of foreign currency .
- The value of supply of services in relation to booking of tickets for travel by air
- The value of supply of services in relation to life insurance business
- The value of supply of services in buying and selling of second hand goods
- The value of a token, or a voucher, or a coupon, or a stamp


7. Value of supply of services in case of pure agent

8. Rate of exchange of currency, other than Indian rupees, for determination of value

Tax Invoice – Sec 31



- a) Revised invoices may be issued against the invoice already issued during the period starting from the effective date of registration till the date of issuance of certificate of registration **within one month from date of issuance of certificate of registration.**
- b) Composition dealers to issue a bill of supply instead of tax invoice.

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- c) Tax invoice is deemed to include a document issued by an ISD and a revised invoice
- d) Amount of tax to be prominently indicated in all documents relating to assessment, tax invoice and other like documents
- e) For receipts of advances on supply of goods/ services: **Receipt voucher/ other prescribed document**
- f) In case of RCM, if goods/ services are received from an unregistered person, the registered taxable person shall issue an **invoice**
- g) In case of continuous supply of goods where successive statements of accounts/ payments are involved, **invoice shall be issued before or at the time of each such statements/ payment.**

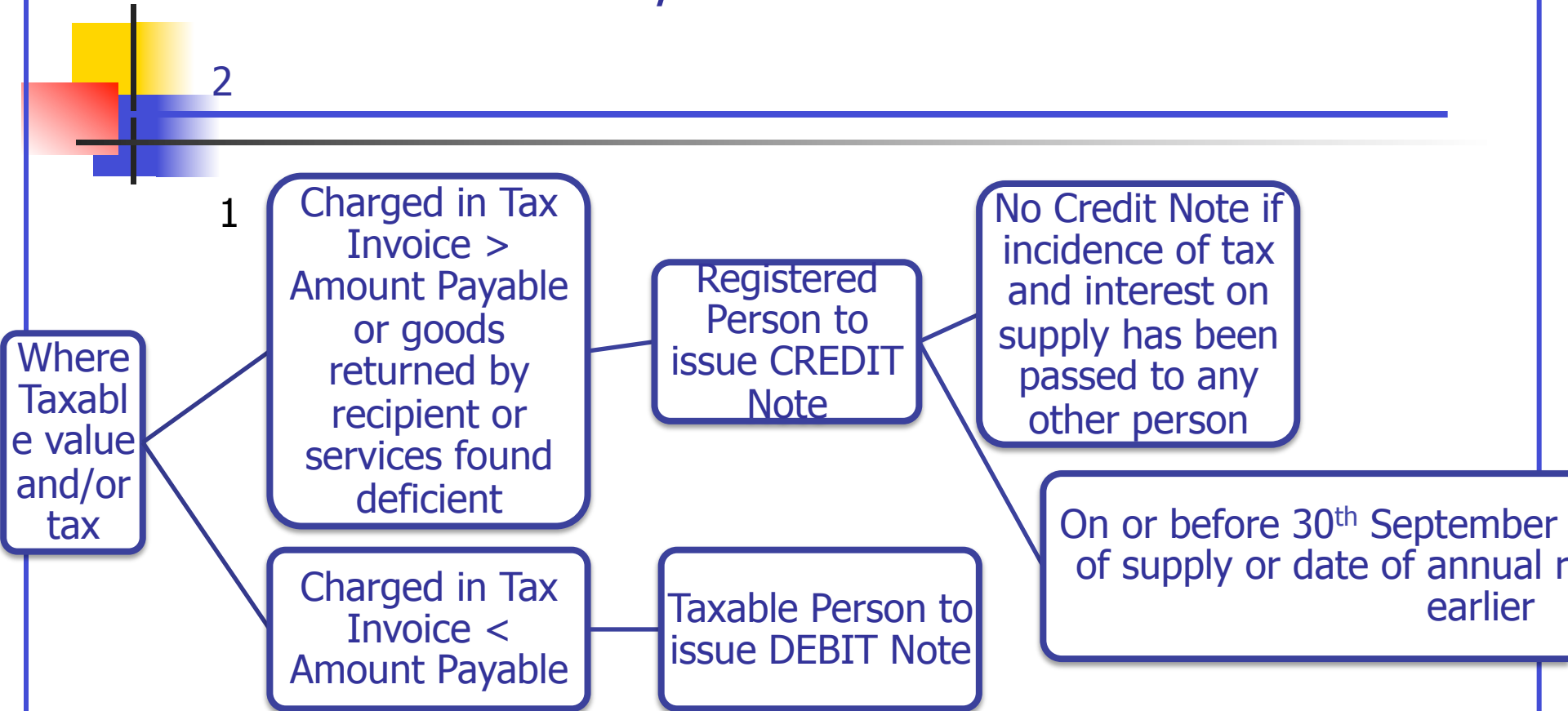


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In case of continuous supply of services

- **Due date ascertainable** – invoice to be issued before/ after payment is liable to be made by recipient but within prescribed period (whether or not payment received)
- **Due date not ascertainable** – invoice to be issued before/ after each such time supplier receives payment but within prescribed period
- **Payment linked to completion of an event** – invoice to be issued before/ after time of completion of that event but within prescribed period

Credit/ Debit Notes– Sec 34





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- * Registered taxable person issuing Debit/ Credit notes to declare its details in the return for the month during which such notes are issued / received or in the return for any subsequent month but not later than September following the end of F.Y. of supply, or the date of filing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in the manner specified in this Act.

1 Information to be furnished prior to generation of e-way bill

- (1) Every registered person making movement of goods of consignment value exceeding fifty thousand rupees —
 - (i) in relation to a supply; or
 - (ii) for reasons other than supply; or
 - (iii) due to inward supply from an unregistered person,

shall, before commencement of movement, furnish information relating to the said goods in **Part A** of **FORM GST INS-01**, electronically, on the common portal

2) Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

- (3) Any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, generate a new e-way bill on the common portal in **FORM GST INS-01** specifying therein the mode of transport.
- (4) Where multiple consignments are intended to be transported in one conveyance, the transporter shall indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in **FORM GST INS-02** shall be generated by him on the common portal prior to the movement of goods:

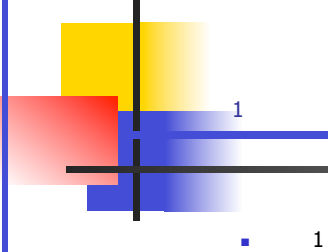
- (5) The information furnished in **Part A** of **FORM GST INS-01** shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in **FORM GSTR-1**:
- (6) Where an e-way bill has been generated under this rule, but goods are either not being transported or are not being transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal

- (8) The details of e-way bill generated under sub-rule (1) shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.
- (9) Where the recipient referred to in sub-rule (8) does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.
- (10) The e-way bill generated under rule 1 of the CGST rules or GST rules of any other State shall be valid in the State.
- *Explanation.* - The facility of generation and cancellation of e-way bill may also be made available through SMS.

- 2. Documents and devices to be carried by a person-in-charge of a conveyance
- 3. Verification of documents and conveyances
- 4. Inspection and verification of goods

- 5. Facility for uploading information regarding detention of vehicle

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in **FORM GST INS- 04** on the common portal.



Thank You !!!

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