Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update No. 10
15th June, 2016

Model GST Law – Time of Supply of Goods and Services

Time of Supply of Goods and Services

Time of Supply of Goods

A. One time supply

S.No.	Situation	Time of Supply
1.	Goods are required to be removed	Earliest of the following, namely:- 1. Date of removal of goods 2. Date of invoice 3. Date of payment receipt# 4. Date of receipt of goods in receiver's books of account
2.	Goods are not required to be removed. As per Explanation-1, this shall apply in the following cases: (i) Physically not capable of being moved (ii) Supplied in assembled or installed form (iii) Supplied by the supplier to his agent or his principal	Earliest of the following, namely:- 1. Date of making goods available to receiver@ 2. Date of invoice 3. Date of payment receipt# 4. Date of receipt of goods in receiver's books of account

B. Continuous supply

S.No.	Situation	Time of Supply
1.	Successive statements of accounts or successive payments are involved	Date of expiry of period to which such statement / payment relate.
2.	No successive statements of accounts or successive payments are involved	Earliest of the following, namely:- 1. Date of invoice 2. Date of payment receipt[#]

C. Others

S.No.	Situation	Time of Supply
1.	Reverse charge	Earliest of the following, namely:- 1. Date of receipt of goods 2. Date of payment made[$] 3. Date of invoice receipt 4. Date of debit in books of accounts
2.	Sale of approval	Earliest of the following, namely:- 1. Time when supply is known 2. 6 months from date of removal
3.	Residuary (i) Periodical return to be filed (ii) Others	 Due date of filing of periodical return Date of payment of CGST/SGST

Notes (for A to C):

@ Making goods available to receiver means placing goods at his disposal.
# Date of payment receipt will be ***earlier*** of the date of payment entry in supplier's books of accounts, or the date of payment credit to supplier's bank account
$ Date of payment made will be ***earlier*** of the date of payment entry in receiver's books of accounts, or the date of payment debit in receiver's bank account

Time of Supply of Services

A. One time supply

S.No.	Situation	Time of Supply
1.	Invoice is issued in time	Earliest of the following, namely:- 1. Date of invoice 2. Date of payment receipt#
2.	Invoice is not issued in time	Earliest of the following, namely:- 1. Date of completion of service 2. Date of payment receipt#
3.	S.Nos 1 & 2 not applicable	Date of receipt of services in receiver's books of accounts

B. Continuous Supply

S.No.	Situation	Time of Supply
1.	Date of payment ascertainable from contract	Due date of payment by receiver, irrespective of date of invoice and payment receipt
2.	Date of payment not ascertainable from contract	Earliest of the following, namely:- 1. Date of invoice 2. Date of payment receipt#
3.	Payment linked to completion of event (Milestone payments)	Time of completion of each milestone

C. Others

S.No.	Situation	Time of Supply
1.	Reverse charge	Earliest of the following, namely:- 1. Date of receipt of service 2. Date of payment made$ 3. Date of invoice receipt 4. Date of debit in books of accounts
2.	Cessation of supply of services before its completion of	Time of cessation of such supply
3.	Residuary (i) Periodical return to be filed (ii) Others	 Due date of filing of periodical return Date of payment of CGST/SGST

Notes (for A to C):

$ Date of payment made will be ***earlier*** of the date of payment entry in receiver's books of accounts or the date of payment debit in receiver's bank account

Date of payment receipt will be ***earlier*** the date of payment entry in supplier's books of accounts or the date of payment credit to supplier's bank account

D. Change in rate of tax

Situation-1: Provision of taxable service *prior to* change in effective rate of tax

Before change	After change	Time of Supply
Service provided	Invoice + Payment Receipt	Earliest of the following, namely:- 1. Date of invoice 2. Date of payment receipt[#]
Service provided + Invoice	Payment	Date of invoice
Service provided + Payment	Invoice	Date of payment receipt[#]

Situation-2: Provision of taxable service *after* change in effective rate of tax

Before change	After change	Time of Supply
Invoice	Service provided + Payment	Earliest of the following, namely:- 1. Date of payment receipt[#]
Invoice + Payment	Service provided	1. Date of invoice 2. Date of payment receipt[#]
Payment	Service provided + Invoice	Date of invoice

<u>Notes (for Situations 1 & 2)</u>:

Date of payment receipt will be ***<u>earlier</u>*** of the date of payment entry in supplier's books of accounts or the date of payment credit to supplier's bank account. This is subject to exception that in case credit of payment in supplier's bank account is after 4 working days from the effective date of change, date of payment receipt will be date of credit to supplier's bank account.

NEW DELHI
5 Link Road, Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014
Phone : +91-11-4129 9800

B-6/10, Safdarjung Enclave
New Delhi - 110 029
Phone : +91-11-4129 9900
E-mail : lsdel@lakshmisri.com

MUMBAI
2nd floor, B&C Wing,
Cnergy IT Park,
Appa Saheb Marathe Marg, (Near Century Bazar)
Prabhadevi, Mumbai - 400025.
Phone : +91-22-2439 2500
E-mail : lsbom@lakshmisri.com

CHENNAI
2, Wallace Garden, 2nd Street
Chennai - 600 006
Phone : +91-44-2833 4700
E-mail : lsmds@lakshmisri.com

BENGALURU
4th floor, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road,
Malleswaram West,
Bangalore-560 055.
Ph: +91-80-4933 1800
E-mail : lsblr@lakshmisri.com

HYDERABAD
'Hastigiri', 5-9-163, Chapel Road
Opp. Methodist Church, Nampally
Hyderabad - 500 001
Phone : +91-40-2323 4924
E-mail : lshyd@lakshmisri.com

AHMEDABAD
B-334, SAKAR-VII,
Nehru Bridge Corner,
Ashram Road,
Ahmedabad - 380 009
Phone : +91-79-4001 4500
E-mail : lsahd@lakshmisri.com

PUNE
607-609, Nucleus, 1 Church Road,
Camp, Pune – 411 001
Phone : +91-20-6680 1900
E-mail : lspune@lakshmisri.com

KOLKATA
2ND Floor, Kanak Building
41, Chowringhee Road,
Kolkatta-700071
Phone : +91-33-4005 5570
E-mail : lskolkata@lakshmisri.com

CHANDIGARH
1st Floor, SCO No. 59,
Sector 26,
Chandigarh - 160026
Phone : +91-172-492 1700
E-mail : lschd@lakshmisri.com

GURGAON
OS2 & OS3, 5th Floor, Corporate Office Tower, AMBIENCE Island, Sector 25-A,
Gurgaon - 122001
Phone : +91-124-477 1300
E-mail :lsgurgaon@lakshmisri.com

International Offices

LONDON
Lakshmikumaran & Sridharan (UK) LLP
Octagon Point,
St. Paul's,
London EC2V 6AA
Phone : +44 20 3823 2165
E-mail : lslondon@lakshmisri.com

GENEVA
Lakshmikumaran & Sridharan SARL
35-37, Giuseppe Motta
1202 Geneva
Phone : +41-22-919-04-30
Fax: +41-22-919-04-31
E-mail : lsgeneva@lakshmisri.com