L&S Update

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

L&S GST Update
No. 10 of 2018,
dated 27-7-2018

Notifications issued giving effect to decisions taken in 28th GST Council meeting held on 21-7-2018

Notifications issued to implement decisions of the GST Council

- CBIC has issued several notifications dated 26th July 2018 to bring into effect decisions taken by the GST Council in its last meeting held on 21st of July.
- Most of these changes have come into effect from today (27th July 2018).
- These notifications can also be accessed from the website www.gst.lakshmisri.com.
- *Please refer to our GST Update No. 8 of 2018 shared on 24th July 2018 covering in detail major decisions taken by the GST Council.*

Summary of changes in GST rate for services

Notification No.	Basic Notification amended by latest notfn.	Particulars
13/2018- Central Tax (Rate)	11/2017- Central Tax (Rate)	Amendments in the rate of GST on specified services
14/2018- Central Tax (Rate)	12/2017- Central Tax (Rate)	Amendments in the list of services exempted from GST
15/2018- Central Tax (Rate)	13/2017- Central Tax (Rate)	Insertion of a new entry to cover services supplied by individual Direct Selling Agents (DSAs) to banks/ NBFCs under RCM
16/2018- Central Tax (Rate)	14/2017- Central Tax (Rate)	Notifying services provided by way of any activity in relation to a function entrusted to a municipality under Article 243W to be treated neither as a supply of goods nor as service
17/2018- Central Tax (Rate)	11/2017- Central Tax (Rate)	Insertion of explanation for 'business' to exclude activities of government undertaken as public authority

Amended GST Rates on certain services

Particulars	Earlier CGST Rate	Amended CGST Rate
Multi Modal transportation of goods - **classified under Heading 9965**	9%	6%
Supply of e- books for which print version exists **classified under the Heading 9984**	9%	2.5%

Other Changes

- Supply of food and drink at restaurant, eating joints, mess, canteen ,etc. classified under the Heading 9963 will attract GST at the rate of 5%
- Supply of food by Indian Railways or IRCTC or their licensees in the train or at the platform - classified under Heading 9963 and subject to 5% GST
- Supply of food and drinks at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature - classified under Heading 9963 and will attract18% GST

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Major Exemptions – Notification No. 14/2018-CT(Rate)

New Exemption Entries	
1.	Artificial insemination of livestock (other than horses)
2.	Warehousing of minor forest produce
3.	Services provided by FSSAI to food business operators by way of licensing, registration and analysis or testing of food samples.
4.	Services provided by Government to ERCC by way of assigning the right to collect royalty on behalf of Government on mineral dispatched by mining lease holders
5.	Works of installation and commissioning undertaken by electricity distribution utilities for extending electricity distribution network up to the tubewell of the farmer/agriculturalist for agricultural use.

Major Exemptions – Notification No. 14/2018-CT(Rate)

New Exemption Entries	
6.	Service by Central/State Government/UT administration by giving guarantees for their undertakings/PSUs.
7.	Supply of services by State and Central educational boards to students for conducting examination
8.	Services provided by an unincorporated body/non-profit entity registered under any law, engaged in activities relating to the welfare of industrial or agricultural labour or farmer; or promotion of, *inter alia*, trade, commerce, industry, agriculture, art, science, etc., to its members against consideration in the form of membership fee up to Rs. 1000/- per member per year.
Amendments in exemptions	
1.	Service provided by hotel, inn, guest house, club for residential or lodging purpose having **value of supply** of less than Rs. 1000/-. Such exemption was earlier based on the **declared tariff** of less than Rs. 1000/-.
2.	Benefit of exemption for transportation of goods by vessel/aircraft from customs station in India to a place outside India now extended till **30.09.2019.** Earlier such exemption was available till **30.09.2018.**

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Other Major Changes

Other Major changes	
1.	Liability to pay tax on services supplied by individual Direct Selling Agents (DSAs) to bank or non-banking financial company (NBFCs), shall be on recipient of services under reverse charge mechanism (**RCM**). [Notification No. 15/2018-Central Tax (Rate)]
2.	Explanation to the term "renting of immovable property" services has been inserted in the RCM Notification No. 13/2017-CT(Rate),as follows: *It means allowing, permitting or granting access, entry, occupation, use or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property.* [Notification No. 15/2018-Central Tax (Rate)]
3.	Services provided by Government, State Government, Union Territory, Local Authority in relation to functions entrusted to a Municipality under Article 243W of the Constitution shall not be treated either as supply of goods or of services. [Notification No. 16/2018-Central Tax (Rate)]

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