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L&S Update

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

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Revised Model GST Law - Time of Supply of Goods and Services

Time of Supply of Goods and Services

- It may be recalled that a draft Model GST law was released earlier on the website of the Ministry of Finance (Department of Revenue), Government of India on June 14, 2016 inviting comments. A revised Model GST law has now been released on November 26, 2016.

- In the revised Model GST law, provisions relating to time of supply of goods and services have been streamlined to simplify the determination of time of supply. However, changes have been made in provisions relating to issuance of tax invoice for supply of goods and services under specific circumstances.

- The new provisions relating to time of supply and issuance of invoice are as under:

Time of Supply of Goods and Services

	Goods	Services
A	Supplies taxable under forward charge	
	Earliest of the following, namely:- 1. Date of issue of invoice 2. Last date on which invoice has to be issued 3. Date of receipt of payment	Earliest of the following, namely:- 1. Date of issue of invoice 2. Last date on which invoice has to be issued 3. Date of receipt of payment
B	Supplies taxable under reverse charge	
	Earliest of the following, namely:- 1. Date of receipt of goods 2. Date of payment made 3. Date immediately following 30 days from the date of invoice 4. Date of entry in books of account of recipient of supply, in case (1),(2) or (3) do not apply	Earliest of the following, namely:- 1. Date of payment made 2. Date immediately following 60 days from the date of invoice 3. Date of entry in books of account of recipient of supply, in case (1) or (2) do not apply 4. In case of associated enterprises, date of entry in the books of account of recipient of supply
C	Supply of Vouchers	
(i)	Identifiable Supplies- Date of issue of vouchers	Identifiable Supplies- Date of issue of vouchers
(ii)	Other cases- Date of redemption of vouchers	Other cases- Date of redemption of vouchers

Time for issuance of invoice

A. One-time supply

S.No.	Situation	Time to issue invoice
1	**Goods**	
(i)	Involving movement of goods	Before or at the time of removal of goods
(ii)	Other case	Before or at the time of: - (a) Delivery of goods or (b) Making goods available to the recipient
2.	**Services**	Before or after (within prescribed time) the provision of services

B. Continuous Supply

S.No.	Situation	Time to issue invoice
1	**Goods**	
(i)	Where successive statements of accounts or successive payments involved	Before or at the time of: - (i) Issuance of each statement (ii) Receipt of each payment
2	**Services**	
(i)	Due date of payment ascertainable from contract	Before or after (within prescribed time) the payment is liable to be made by recipient, irrespective of receipt of payment
(ii)	Due date of payment not ascertainable from contract	Before or after (within prescribed time) receipt of each payment
(iii)	Payment linked to completion of event (Milestone payments)	Before or after (within prescribed time) the time of completion of each milestone

C. Others

S.No.	Situation	Time to issue invoice
(i)	Cessation of supply of services before its completion	On cessation of supply and to the extent of supply effected before cessation
(ii)	Goods sent/taken on approval or sale or return or similar terms	Before or at the time of earlier of the following: - 1. When supply is known 2. 6 months from date of removal

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