

# GST Trail

## Key Highlights of GST Notifications and Clarification Circulars

August 2024



## Notification Updates

### Notification 16/2024–Central Tax dated 6 August 2024

The Central Board of Indirect Taxes and Customs (CBIC) has notified that the provisions of Section 13 of the Finance Act, 2024 (8 of 2024) shall come into force from 1 October 2024, whereas those of Section 11 and Section 12 of said Act shall be effective from 1 April 2025. The summary of said sections has been outlined below:

- **Section 13 of Finance Act – Insertion of new Section 122A of CGST Act.**
  - A special procedure for registering the details of packing machines used by manufacturers of Pan Masala/ Tobacco products was introduced vide [Notification No.04/2024-](#) Central Tax dated 5 January 2024, taking effect on 1 April 2024.
  - In this regard, an additional penalty of INR 1,00,000 has been imposed for every machine

not registered in accordance with the above procedure.

- In addition to the penalty, every such machine is also liable for seizure and confiscation. Furthermore, the confiscated machine will be released upon penalty payment, and the said machine will be registered as per the procedure laid down.
- **Section 11 and Section 12 of Finance Act – Amendment of definition of Input Service Distributor (ISD) under Section 2(61) of CGST Act and manner of distribution of Input Tax Credit (ITC) by ISD under Section 20 of CGST Act.**
  - The definition of ISD has been amended to include input services taxable under Reverse Charge Mechanism (RCM) and specify the expression “Distinct Persons.”
  - Furthermore, the manner of distribution of credit by ISD has also been amended.



## Instructions/Guidelines Updates

### [Instruction 02/2024-GST dated 12 August 2024](#)

Pursuant to the success of the All-India drive against fake registrations conducted during the period 16 May 2023 to 14 August 2023 and with a view to take timely remedial action to prevent revenue loss, clean up the tax base and take concerted action against the fake registrations and fake/bogus invoices, the CBIC has issued guidelines for a Second special All-India Drive against fake registrations to be conducted by all Central and State tax authorities for a period of two months starting from 16 August 2024.

### [Instruction 03/2024-GST dated 14 August 2024](#)

The said instruction prescribes the procedure to be followed by Zonal (Pr.) Chief Commissioner during CGST Audit as laid down in Paragraph 2(g) of [Instruction No. 01/2023-24-GST \(Inv.\)](#) dated 30 March

2024, if they come across the scenario where any matter is already investigated by one of the (Pr.) Commissioners, with an intent to promote uniformity or avoid litigation. Paragraph 2(g) of [Instruction No. 01/2023-24-GST \(Inv.\)](#) states that where an issue, wherein prevalent trade practice of the industry has been followed, is being investigated by one of the (Pr.) Commissioners and is based on an interpretation of CGST Act/Rules, Notifications, Circulars, etc., and the decision is in the direction of proposing non-payment or short payment of tax, the Zonal (Pr.) Commissioner should make a reference to the GST Policy or Tax Research Unit (TRU).



## Technical Updates

### [Detailed Manual and FAQs on filing of GSTR-1A](#)

Pursuant to recommendation made in 53<sup>rd</sup> GST Council Meeting, Form GSTR-1A was notified vide [Notification 12/2024 –Central Tax](#) dated 10 July 2024. Team GSTN has issued a detailed manual and FAQs on filing of the said Form. The manual may be accessed [here](#) and the FAQs can be checked [here](#).

### [Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Jammu & Kashmir and West Bengal and Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Dadra and Nagar Haveli and Daman and Diu AND Chandigarh](#)

In accordance with the amended Rule 8 of the CGST

Rules, 2017, which provides that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application, the GSTN has developed said functionality. The same was introduced in Jammu & Kashmir and West Bengal on 2 August 2024 whereas for Dadra and Nagar Haveli and Daman and Diu and Chandigarh, said functionality was available from 24 August 2024. The advisories also outline the detailed procedure for the document verification and appointment booking process.

### [Advisory in respect of Changes in GSTR-8](#)

The rates of TCS collected by an Electronic Commerce Operator have been reduced vide [Notification 15/2024-Central Tax](#) dated 10 July 2024 and effective from the same date.

The GSTN Team has highlighted the following aspects regarding the same:

- The old TCS rate of 1%(0.5% CGST+ 0.5% SGST, 1% IGST) shall continue to apply for the period from 1 July 2024 to 9 July 2024.
- The revised TCS rate shall take effect from 10 July 2024.

### [Advisory for furnishing bank account details before filing GSTR-1/IFF](#)

As per Rule 10A of the CGST Rules, 2017, a taxpayer is required to furnish details of a valid bank account within a period of 30 days from the date of grant of registration or before furnishing the details of outward supplies of goods or services or both, whichever is earlier. Various communications have been issued to taxpayers regarding this, but no action has been initiated yet.

However, the GSTN Team has now informed that in the absence of valid bank account details in GST registration, the taxpayers shall not be able to file GSTR-1 or IFF from the return period of August, 2024.

Consequently, the details can be added following these steps: **Services > Registration > Amendment of Registration Non - Core Fields** tabs on GST Portal.

### Introduction of RCM Liability/ITC Statement

To assist taxpayers in reporting Reverse Charge Mechanism (RCM) transactions and ensure transparency for RCM transactions, a new statement called "RCM Liability/ITC Statement" has been issued, which shall be applicable from the tax period August 2024 for monthly as well as quarterly return filers.

RCM ITC opening balance can be reported by following the navigation below:

- Login >> Report RCM ITC Opening Balance or Services >> Ledger >> RCM Liability/ITC Statement>> Report RCM ITC Opening Balance

- Monthly filers have to report opening balance considering RCM ITC till the July 2024 return period, whereas quarterly filers have to report up to Q1 of FY 2024-25, considering RCM ITC till the April-June 2024 return period. The deadline for filing the same is 31 October 2024 and the taxpayers can rectify any errors committed while reporting the opening balance by 30 November 2024. The taxpayers shall be provided three opportunities for rectification. This amendment facility shall be discontinued after 30 November 2024.

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