



**GST Updates - July**  
July 2017

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### Introduction

With the implementation of GST, various clarifications and amendments are being notified. This article deals with an important notification, which forms the third amendment Rules to the Central GST Rules, 2017.

### Notification No. 15/2017 dated 1<sup>st</sup> July 2017

#### *Supply of goods for exports*

A new rule 96A has been added to the supply of goods for exports without payment of tax by submission of a bond or a letter of undertaking in **FORM GST RFD-11**. Accordingly, the exporter of services would now have to furnish a bond or a letter of undertaking whereas under the earlier law such requirement existed only for exporter of goods.

#### *Carry forward of Tax Credits*

A registered person, entitled to carry forward the taxes paid under the current law, would have to file a declaration in **FORM GST TRAN-1**. In the declaration, the amount of Input Tax Credit (ITC) would mean only eligible duties as provided in Explanation 2 to Section 140 of the CGST Act, 2017. The Eligible Tax Credits to be carried forward under any existing law or on goods held in stock as on appointed date shall include:

- Additional duty of excise under Section 3 of Additional Duties of Excise (Goods of Special Importance) Act, 1957
- Additional duty leviable under Section 3(5) of Customs Tariff Act, 1975
- Additional duty of excise leviable under Section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978
- Duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985
- Duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985
- National Calamity Contingent Duty leviable under Section 136 of the Finance Act, 2001
- Service tax leviable under Section 66B of the Finance Act, 1994

### Conclusion

The amendment regarding carry forward of eligible tax credits has been debated in various forums. Several representations have been sent to the authorities seeking clarification. One such debatable aspect is the clean energy cess on coal. With no clarity on the huge tax credits in books, tax payers are not very clear on the approach. Several unique business situations have increased the complexities. Clarifications are awaited from the department.

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