

Ac Tielh
on file

Administration of U.T. of Daman & Diu
Department of GST and VAT
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No.DMN/VAT/GST/Trade Notice.05/2017-18/1135

Date: 26/10/2017.


TRADE NOTICE NO.05/2017-18 DATED 26/10/2017

Sub: - Clarification on issues wherein the goods are moved within the state or from the state of registration to another State for supply on approval basis-Reg.

A copy of Circular No.10/10/2017- GST dated 18/10/2017 vide CBEC-20/16/03/2017- GST issued by the Commissioner (GST), Government of India, Ministry of Finance, Department of Revenue, Central Board of Excise and Customs, GST Policy Wing, New Delhi regarding Clarification on issues wherein the goods are moved within the state or from the state of registration to another State for supply on approval basis is enclosed herewith for information, guidance and necessary action.

All Trade Association / representative of various industries are requested to publicize the contents of this Trade Notice among their Members /-Constituents.

Encl: As above.


(Sandeep Kumar Singh)
Commissioner (UTGST),
Daman & Diu,
Daman.

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10-11-17
To,

1. The Commissioner , Central GST Commissionerate, Daman
2. The President, Liquor Association, Daman.
3. The President, Daman Industries Association, Daman.
4. The President, Hotel Association, Daman
5. The President, Merchant Association, Daman.

Copy to:

The Deputy Commissioner (GST/VAT), Diu for information and necessary action.

Circular No. 10/10/2017-GST

CBEC - 20/16/03/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing

New Delhi, dated 18th October, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/
Commissioners of Central Tax (All)
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis –Reg.

Various communications have been received particularly from the suppliers of jewellery etc. who are registered in one State but may have to visit other States (other than their State of registration) and need to carry the goods (such as jewellery) along for approval. In such cases if jewellery etc. is approved by the buyer, then the supplier issues a tax invoice only at the time of supply. Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. It has also been represented that such goods are also carried within the same State for the purposes of supply. Therefore, in exercise of the powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter as follows -

2. It is seen that clause (c) of sub-rule (1) of rule 55 of the Central Goods and Services Tax Rules, 2017 (hereafter referred as “the said Rules”) provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply. Further, sub-rule (3) of the said rule also provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that “Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods”.

3. A combined reading of the above provisions indicates that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery

challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.

4. It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

5. It is also clarified that this clarification would be applicable to all goods supplied under similar situations.

6. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)