

Tax Alerts

25th Jan 2018

Short update on Notifications issued as on 25/01/2018

Notification update

Notification No: 02/2018 (Central Tax Rate) & 2/2018 (Integrated Tax Rate):

- 1) CBEC has prescribed two major reliefs to freight forwarder industry in the form of exemptions relating to Export Air freight & Export Sea Freight from levy of GST.

The following have been exempted

- a) Transportation of shipment/cargo by air from a place in India to a place outside India.
- b) Transportation of shipment/cargo by sea from a place in India to a place outside India.

No input reversal of common input services as the same is excluded from value of exempted services.

However the above exemption is only from 25th Jan 2018 to 30th Sept 2018.

- 2) Exemption has been granted for the services Provided by an arbitral tribunal or a firm of advocates or an individual advocate to the Central, State Government, Union territory, local authority, Governmental authority or governmental Entity.

Notification No: 03/2018 (Central Tax Rate) & 03/2018 (Integrated tax Rate):

- Tax shall be paid under RCM if services by way of renting of immovable property supplied by Central, State Government, Union territory or local authority to any registered person under GST act.
- Earlier tax was on renting of immovable properties supplied by Government was payable on forward charge.
(I.e. Government will charge tax directly.)

Notification No: 06/2018 (Integrated Tax Rate)

- Clarification has been brought on non-applicability of IGST under RCM on import of services towards royalty & license fees so far such fee has been included in the assessable value under customs regulations and the appropriate customs duty has been paid.

Notification No: 08/2018 (Central Tax Rate) & 9/2018 (Integrated tax rate):

- Tax rate on old used motor vehicles is reduced

S.No	Description	GST Rate	Cess Rate
1	Old used motor vehicle running on CNG & LPG having engine capacity more than 1200cc	18%	NIL
2	Old used motor vehicles having engine capacity more than 1500cc	18%	NIL
3	Old used SUV's	18%	NIL
4	Old used cars other than above (small cars)	12%	NIL

Note:

- 1) Value on which GST rate to be applied is on 65% of transaction value if motor vehicle has purchased before 1st July 2017.
- 2) To avail benefit under this notification one should not have availed input tax credit/ Cenvat credit under earlier tax regime.

Notification No: 1/2018 (Central tax Rate) & 1/2018 (Integrated tax rate):

- Tax rate on various goods and services are reduced as recommended in 25th Council meeting.

About us

D Arvind & Associates LLP (DAA) is a Chartered Accountant Firm founded in 2009 by D Arvind, an Ex-partner of KPMG with a vision to provide to create innovative and insightful solutions to resolve Complex Business & Tax Challenges.

D Arvind, apart from being a Chartered Accountant is also a Company Secretary & Arbitrator, having 30 Years of Experience in Large Industries as Tax & Legal Head and Partner in Big 4 Consulting Firms. This puts him in a unique position to see Complex tax Issues from Business & Solutions perspective.

DAA is a boutique tax firm specialising in GST, Customs, Foreign Trade Policy including representation to Government, Appearance before Tax Authorities & Tribunal apart from practicing in Internal Audit and Corporate Governance.

DAA operates out of Mumbai, Chennai & Bangalore with a wide range of clientele across Industries assisting them in their Tax positions, Tax Litigations up to High Court, Tax Optimization and End to End Tax Compliance Management.

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