

Key Highlights of GST Notifications issued on September 30, 2019

CBIC has issued notifications on September 30, 2019 giving effect of recommendations made in 37th GST Council Meeting held on September 20, 2019 notifying new exemptions, changing rates of specific goods and services and other miscellaneous changes. These notifications shall be effective from October 1, 2019. The key highlights of notifications are given below:

Part A: List of New Exemptions

1. Dried Tamarind & plates and cups made of all kind of leaves or flower or bark exempted vide Notification No. 15/2019-Central Tax (Rate), Notification No. 15/2019-Union Territory Tax (Rate) and Notification No. 15/2019-Integrated Tax (Rate)
2. Supplies of Silver and Platinum by nominated agencies to registered persons under the Scheme for "Export against Supply by Nominated Agency" as prescribed under Notification No. 26/2018 - Central Tax (Rate), dated 31-12-2018 vide Notification No. 17/2019-Central Tax (Rate) and Notification No. 17/2019-Union Territory Tax (Rate) and Notification No. 17/2019-Integrated Tax (Rate)
3. All goods supplied to Food & Agricultural Organization of the United Nations (FAO) for execution of specified projects vide Notification No. 19/2019-Central Tax (Rate) and Notification No. 19/2019-Union Territory Tax (Rate) and Notification No. 18/2019-Integrated Tax (Rate)
4. Certain services exempted vide Notification No. 21/2019-Central Tax (Rate), Notification No. 21/2019-Union Territory Tax (Rate) and Notification No. 20/2019-Integrated Tax (Rate):-

S.No.	Particulars	Rate	Condition
1.	Services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India.	NIL	Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020
2.	Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables,	NIL	-

	spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea		
3.	Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force	NIL	-
4.	Services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020	NIL	-

Part B: Major change in rates

- (I) Goods vide Notification No. 14/2019-Central Tax (Rate), Notification No. 14/2019-Union Territory Tax (Rate) and Notification No. 14/2019-Integrated Tax (Rate)

<i>Particulars</i>	<i>New GST Rate</i>
Marine Fuel 0.5%	5%
Wet grinder consisting of stone as a grinder	5%
Woven and Non- Woven Bags and sacks of Polyethylene Polypropylene strips, whether laminated or not	12%
Parts of railway or tramway locomotives, wagons, coaches, etc., classified under tariff heading 8601 to 8608	12%
Caffeinated Beverages	28%

(II) New Rates for accommodation, restaurant and other services vide Notification No. 20/2019-Central Tax (Rate), Notification No. 20/2019-Union Territory Tax (Rate) and Notification No. 19/2019-Integrated Tax (Rate)

S.No.	Particulars	Rate	Condition
1.	'Hotel accommodation' having value of supply of a unit of accommodation above Rs. 1,000 but less than or equal to Rs.7,500 per unit per day or equivalent	12%	-
2.	Restaurant services other than at 'Specified premises',	5%	ITC charged on goods and services used in supplying the service has not been taken
3.	Outdoor Catering or Composite supply of 'outdoor catering' together with renting of premises or supply of 'outdoor catering', at premises other than 'specified premises' provided by any person except- (a) suppliers providing 'hotel accommodation' at 'specified premises', or (b) suppliers located in 'specified premises'	5%	ITC charged on goods and services used in supplying the service has not been taken
4.	Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both	12%	-
5.	Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975)	1.5%	-
6.	Services by way of job work in relation to bus body building	18%	

Note: Specified Premises means premises providing hotel accommodation services having declared tariff of any unit of accommodation above Rs. 7,500 per unit per day or equivalent

(III) Compensation Cess Rate Changes vide Notification No. 2/2019- Compensation Cess (Rate):

1. Cess of 12% for caffeinated beverages,
2. Reduction in Cess - Passenger vehicles of engine capacity 1500 cc in case of diesel, 1200 cc in case of petrol and length not exceeding 4000 mm designed for carrying upto 13 persons 1 percent in the case of petrol 3% in the case of Diesel, currently attracting compensation cess at 15 %

Part C: Miscellaneous Changes

1. Now Government has excluded manufacturers of aerated water from availing the benefit of Composition Scheme. Those manufactures would not be able to opt for composition scheme - *Notification No. 43/2019-Central Tax*
2. Government has extended concessional GST rate benefit of 5% to petroleum or coal bed methane operations undertaken under specified contracts under the Hydrocarbon Exploration Licensing Policy (HELP) or Open Acreage Licensing Policy (OALP) - *Notification No. 16/2019-Central Tax (Rate)*
3. Two new services notified under reverse charge mechanism which are:
 - a. Services provided by way of renting of a motor vehicle provided to a body corporate by any person other than a body corporate, paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business.
 - b. Services of lending of securities under Securities Lending Scheme, 1997 of Securities and Exchange Board of India to Borrower (a person who borrows the securities under the Scheme through an approved intermediary of SEBI) by Lender (a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI) - *Notification No. 22/2019-Central Tax (Rate)*
4. Government has notified that special procedure prescribed for payment of taxes in case of supply of development right services shall not be applicable and will be rescinded for development right services supplied on or after April 1, 2019 - *Notification No. 23/2019-Central Tax (Rate)*
5. Now, reverse charge will be applicable on the goods 'Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975)'

supplied by unregistered supplier to promoter without any condition or limit. Government has widened the applicability of reverse charge on cement supplied by unregistered supplier to promoters. - *Notification No. 24/2019-Central Tax (Rate)*

6. Government has clearly provided that service by way of grant of alcoholic liquor licence, against licence fee or application fee shall be neither be treated as supply of goods nor supply of service - *Notification No. 25/2019-Central Tax (Rate)*
7. Government has notified place of supply for research and development services related to pharmaceutical sector. The place of supply for supply for research and development services related to pharmaceutical sector shall be the place of effective use and enjoyment of a service, i.e., recipient of services. The place of supply of services shall be the location of the recipient of services subject to fulfillment of the conditions that they are provided as per a contract between the service provider located in taxable territory, service recipient located in non-taxable territory, the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India] and the supplier of service and the recipient of service are not merely establishments of a distinct person - *Notification No. 04/2019-Integrated Tax*
8. Government has notified that for tobacco and manufactured tobacco substitutes, no refund of unutilized input tax credit of compensation cess shall be allowed where compensation cess credit has been accumulated on account of inverted duty structure i.e. GST on inputs being higher than the rate of compensation cess on the output supplies of such goods (other than nil rated or fully exempt supplies). - *Notification No.3/2019-Compensation Cess (Rate)*