

PART II

GST & DOCUMENTATION

TIME, VALUE & PLACE OF TAXABLE SUPPLY

WHY IT IS IMPORTANT TO KNOW TIME, VALUE AND PLACE OF SUPPLY?

TIME OF SUPPLY:

It means the point of time when it is considered to be supply of goods or services, if the seller knows the exact time then it will help him to recognize the due date for the payment of taxes.

◆ VALUE OF SUPPLY:

Value of Supply is important to consider as the GST is calculated on the value of sale of goods or service. If there is any mistake in calculation of value of goods or services then there may be incorrect amount of GST charged.

PLACE OF SUPPLY: It is required to know the place of supply as the person can decide which GST shall be charged on the invoice, whether it should be IGST or CGST/SGST.

TIME OF SUPPLY UNDER GST: GST shall be at the time of the supply, goods and service have different basis on which it is identifiable the time of supply. Which is as follows:

TIME OF SUPPLY OF GOODS UNDER GST:

Time of supply of goods will be earliest of following:

1. Date of issue of invoice;
2. Last date on which invoice should have been issued;
3. Date of receipt of payment.

TIME OF SUPPLY OF SERVICES UNDER GST:

Time of supply of services will be earliest of following:

1. Date of issue of invoice;
2. Date of receipt of payment;
3. Date of provision of services.

TIME OF SUPPLY UNDER REVERSE CHARGE:

In case of supply under reverse charge will be earliest of following:

1. Date of payment;
2. 30 days from date of issue of invoice of goods (60 days for invoices of services).

With effect from 15/11/2017 'DATE OF PAYMENT' is not applicable to goods and is only applicable to services.

PLACE OF SUPPLY UNDER GST:

It is very important to know the place of supply as it will decide the correct GST to be charged on the invoice

. PLACE OF SUPPLY OF GOODS UNDER GST:

Normally place of supply in case of goods is where the goods are being delivered. So, the place of supply will be the place where the ownership of goods are changing. Further, if there is no movement in goods, then the place of supply will be the location of the recipient where the goods are being delivered.

If the goods are being assembled and install then the place of supply will be the location of where the installation is being done.

PLACE OF SUPPLY OF SERVICE UNDER GST: Normally, the place of supply in case of services will be the place of the service recipient. If the person who is receiving the services and he is not registered under the GST and the location of the receiver is not available then, the location of the person who is providing the services will be the place of supply.

There are some special provision for the following services to decide the place of supply:

Services which is related to immovable property

(in case of this service the location of the property will be the place of supply);

Services related to Restaurant; Events of admissions;

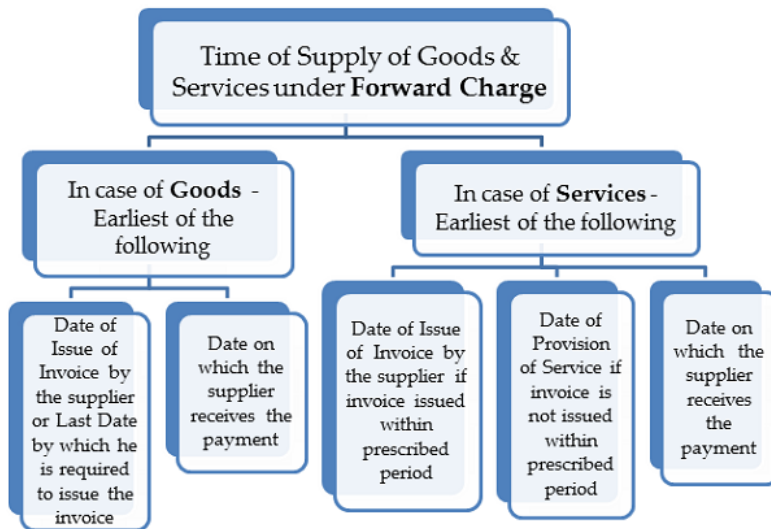
Transportation of goods and passengers;

Services related to telecom; Any services which is related to banking, financial and insurance. **VALUE OF SUPPLY UNDER GST:**

The amount which is collected by the seller from the buyer is the value of supply.

If there's parties which is related and there is no reasonable value to be charged or if there is transaction as a barter or exchange then, the GST law directs that the value on which the GST shall be charged should be 'transactional value'.

The party should make sure that the GST is charged properly even if the payment is not been paid fully.



NORMAL PAYMENT GST PROCESS

clear



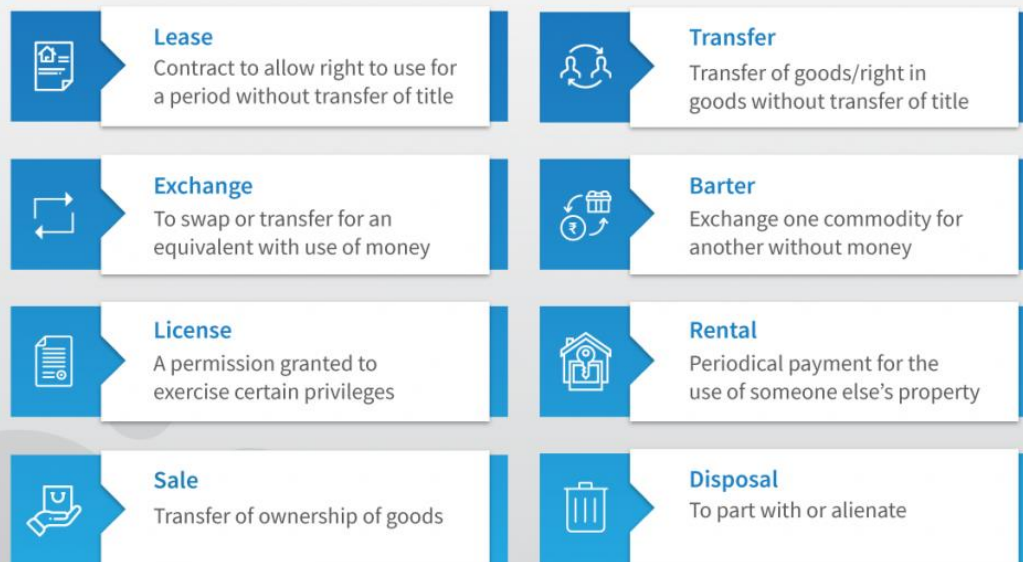
GST PAYMENT IN CASE OF REVERSECHARGE



Section 9(4) of the CGST Act states that **if a vendor is not registered under GST supplies goods to a person registered under GST, then reverse charge would apply**. This means that the GST will have to be paid directly by the receiver instead of the supplier



What is supply under GST?



Under GST, a tax invoice is an important document. **It not only evidences the supply of goods or services, but is also an essential document for the recipient to avail Input Tax Credit (ITC)**. A registered person cannot avail Input Tax Credit unless he is in possession of a tax invoice or a debit note.

Tax invoice is **an invoice issued for taxable supply of goods & services**. Tax invoice broadly contains details like description, quantity, value of goods/service, tax charged thereon and other particulars as may be prescribed. Tax invoice is a primary evidence for recipient to claim input tax credit of goods & service.

Reverse Charge means **the liability to pay tax is on the recipient of supply of goods or services instead of the supplier of such goods or services in respect of notified categories of supply**.