**Summary of Notifications issued on 01.01.2020**

**1. Notification No. 01/2020-CT dated 01.01.2020**

Various amendments were made in the CGST Act 2017 vide Finance Act, 2019 on 01.08.2019 but the changes would come into force from a date notified by the Government. Now several of these changes came into effect from 01.01.2020. The scope of amendments are furnished below:

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| **Finance Act 2019** | **CGST Act**  **2017** | **GIST of Amendments** |
| Section 93 | Section 10 | **Interest earned on deposits not to be computed for composition scheme.** A tax payer who opted for composition scheme can also supply services up to a value not exceeding 10 % of the turnover or Rs. 5 Lakhs whichever is higher as per the second proviso to Section 10 of CGST Act. An explanation has been added to the second proviso to Section 10 vide Section 93 of FA 2019 as per which interest earned on deposits, loans or advances shall not be taken into account for calculating the value of services under Composition Scheme.  **Alternative composition scheme for service providers @ 6% rate:** Section 10 of CGST Act has been amended so as toprovide an alternate scheme of composition with a tax rate of 6% for supplier of services having an annual turnover in preceding financial year up to Rs. 50 Lakhs. |
| Section 94 | Section 22 | **Higher exemption threshold limit for supplier of goods**: Section 22 of CGST Act has been amended to have two threshold limits for exemption from registration for the suppliers of goods i.e. Rs 20 lakhs and Rs 40 lakhs. States have an option to decide about one of the limits. The threshold for registration for service providers would continue to be Rs 20 lakhs |
| Section 95 | Section 25 | **Mandatory Aadhaar submission for Registration**: Section 25 of the CGST Act has been amended to provide for mandatory authentication using Aadhaar number or other alternative and viable means of identification for every registered person under GST. Failure to undergo authentication would deem the registration invalid followed by legal consequences as if such person does not have a registration. |
| Section 96 | Section 31A | **Digital payment**: New section 31A introduced to provide that specified category of supplier of goods or service shall mandatorily offer facility for digital payments to their recipient |
| Section 99 | Section 49 | **Transfer of amount from one head to another head in the cash ledger**: Section 49 of the CGST Act has been amended to provide facility to the tax payer to transfer tax, interest, penalty, fee or any other amount from one head to another in the electronic cash ledger. |
| Section 102 | Section 53A | **Section 53A** introduced so as to provide for transfer of amount in the c cash ledger between the Centre and States as a consequence of the new facility given to the tax payer under section 49 |
| Section 112 | Section 171 | **Anti-profiteering authority empowered to impose penalty**: National Anti-Profiteering Authority empowered to impose penalty equivalent to 10% of profiteered amount. Further it has been provided that no penalty shall be imposed if the profiteered amount is paid within 30 days of passing of order by the NAPA. |

**2. Notification 02/2020-CT dated 01.01.2020**

a. **Amendment to Rule 117**: The commissioner upon recommendations of the council has been empowered to extend the date for furnishing declaration in Tran-01 up to 31.03.2020 in respect of the persons who could not furnish declaration within the prescribed time limit on account of technical glitches. Similarly, Tran -02 due-date has been extended up to 30.04.2020.

b. **Registration form amended**: In the cases of SEZ Registration, the Form Reg-01 has been modified to capture the details of approval by the SEZ authority, period of validity, and other details of the unit.

c. **E Invoice format**: New format of e invoice in FORM INV-01 has been provided.

**3. Notification 03/2020-CT dated 01.01.2020**

The due dates for following the Transitional plan for registered persons in UT of J&K and Ladakh further extended.

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