

100% EXPORT SERVICE PROVIDER NEED TO GET “GST REGISTERED”

Dated: 28th December, 2017

- As per Section 24(i) of The Central Goods and Service Tax Act, 2017 (herein after referred to as “CGST Act”), Person making any “**Inter-State Taxable Supply**” needs to get registration notwithstanding anything contained in sub-section (1) of Section 22 of the CGST Act.

As per Notification No.10/2017 – Integrated Tax dated 13th October, 2017, person having inter-state taxable supply upto 20 Lakhs (10 lakhs for certain states) in a financial year are exempted from GST Registration.

- Inter- State Taxable supply has not been defined under any of the CGST, IGST, SGST or UGST Act. However, we should look to the definition of “Inter-state supply” and “Taxable supply” given in the Act to determine the meaning of “Inter-State Taxable Supply”
- “Inter-State supply” in relation to “Service” has been defined under Section 7(5) of The Integrated Goods and Service Tax Act, 2017 (herein after referred to as “IGST Act”) as

“Supply of goods or service or both –

(a) when the supplier is located in India and the place of supply is outside India;.....”

Shall be treated to be a supply of goods or service or both in the course of inter-state trade or commerce.”

- “Taxable Supply” has been defined under Section 2(108) of the CGST Act as
“Taxable supply means a supply of goods or service or both which is leviable to tax under this Act”
- “Exempt Supply” has been defined under Section 2(47) of the CGST Act as
“Exempt supply means supply of any goods or service or both which attracts Nil rate of tax or which may be wholly exempt from tax under

Section 11 or under Section of the IGST Act and includes non-taxable supply”

- Export of service or goods has been classified as “Zero-rated supply” as defined under Section 16 of the IGST Act which is not an exempt category or neither government has stated in the exemption notification that export of service is an exempt service.
- If Export of service / goods is an exempt supply then government would not have 2 category like export with IGST and export without IGST which clearly states that export is a taxable supply but if someone satisfy the conditions then he/she can export without IGST. However that does not give exemption to the person from taking the registration which is stated in Section 24 of the CGST Act.
- In one of FAQ answer by the Government and posted in twitter also vide dated 22nd December, 2017, they have clearly stated that export service is an inter-state taxable supply and liable for registration.

GST Frequently Asked Questions	
What are the requirements for clearance of physician samples distributed free of cost?	In case of clearance of free physician samples, the ITC availed on the said samples has to be reversed under S. 17(5)(h) of the CGST Act, 2017. No tax is payable on clearance of physician samples distributed free of cost as the value of supply is zero.
I am a software company. If I import software services, am I eligible to pay IGST?	Yes, as it is an inter-State supply under section 7 (4) of the IGST Act, you will be liable to pay IGST
I export services, but turnover is below threshold. Should I take registration?	Yes, as it is an inter-State supply, you are liable to take mandatory registration under section 24.
I am a small startup firm. What is the frequency of filing of FORM GSTR-1 and FORM GSTR-3B?	If your turnover is below Rs. 1.5 Crore, you have to file GSTR-1 quarterly (Notfn 57/2017-Central Tax dt 15.11.2017). All taxpayers are required to file GSTR-3B monthly, until March 2018. (Notfn 56/2017-CT, dt 15.11.2017 and Notfn 35/2017-CT, dt 15.09.2017)