

RECENT CHANGES IN GST LAW



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1. Automated processing under GST Regime

Introduction:

Just like under the Income Tax Act where basic level processing is done by the CPC under section 143(1), GST has also introduced system for automated intimation of discrepancies to the registered person. Restrictions have also been placed on filing of returns where such discrepancies are not dealt with. This step can go a long way in moving towards digital processing of cases and might even lead to lower scrutiny by the department as a large chunk of the issues might be dealt with by the system itself. The Income Tax Department has now established a near perfect system to carry out basic processing and thus it is expected that GST shall also move on similar lines and provide a transparent and effective system for managing disputes.

I) **Rule 88D: Manner of dealing with difference in input tax credit available in auto-generated statement containing the details of input tax credit and that availed in return**

- (1) Where the amount of input tax credit availed by a registered person in the return for a tax period or periods furnished by him in FORM **GSTR-3B** exceeds the input tax credit available to such person in accordance with the auto-generated statement containing the details of input tax credit in FORM **GSTR-2B** in respect of the said tax period or periods, as the case may be, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference in **Part A of FORM GST DRC-01C**, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said difference and directing him to—
 - (a) **pay an amount** equal to the excess input tax credit availed in the said FORM **GSTR-3B**, **along with interest** payable under section 50, through FORM **GST DRC-03**, or
 - (b) **explain the reasons** for the aforesaid difference in input tax credit on the common portal, **within a period of seven days**.
- (2) The registered person referred to sub-rule (1) shall, upon receipt of the intimation referred to in the said sub-rule, **either**,
 - (a) **pay an amount** equal to the excess input tax credit, as specified in Part A of FORM **GST DRC-01C**, **fully or partially**, along with interest payable under section 50, through FORM **GST DRC-03** and **furnish the details** thereof in **Part B of FORM GST DRC-01C**, electronically on the common portal, or

- (b) **furnish a reply**, electronically on the common portal, **incorporating reasons** in respect of the amount of excess input tax credit that has still remained to be paid, if any, in **Part B of FORM GST DRC-01C**, within the period specified in the said sub-rule.
- (3) Where any amount specified in the intimation referred to in sub-rule (1) remains to be paid within the period specified in the said sub-rule and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of **section 73** or **section 74**, as the case may be.”

[Inserted by **CGST (Second Amendment) Rules, 2023** dated 04.08.2023 w.e.f. 04.08.2023]

Analysis of Rule 88D:

- According to **Rule 88D** of the CGST Rules 2017, the CBIC has introduced a new automated system of return processing wherein the GSTN Portal will now compare the Input Tax Credit available in Form **GSTR-2B** with the Input Tax Credit availed by the registered person in Form **GSTR-3B**. If the Input Tax Credit claimed by the registered person in Form **GSTR-3B** exceeds the Input Tax Credit available in Form **GSTR-2B**, by the prescribed amount and percentage as recommended by the Council, the registered person will receive an intimation of this variation through the GSTN Portal and in their registered email address in **PART-A of Form DRC-01C**.
- Upon receiving this intimation, the registered person has following three options to address the variance in ITC between Form **GSTR-2B** and Form **GSTR-3B**:

Option 1: **Pay the excess claim** of Input Tax Credit in full through Form **DRC-03**, along with interest as per section 50 and **report the details** of payment in **Part B of Form GST DRC-01C electronically** on the GST portal.

Option 2: **Provide an explanation giving details of all the reasons** for difference in **PART-B of Form DRC-01C** electronically **within 7 days** from the date of receiving the intimation.

Option 3: **Partly pay the excess claim** of Input Tax Credit through Form **DRC-03**, along with interest as per section 50 and report the details of payment along with **a reasonable explanation** for the balance difference in **Part-B of Form DRC-01C** electronically **within 7 days** from the date of receiving the intimation.

- While providing the explanation, the excess claim on account of the following reasons will have to be identified & reported separately:
 - ITC not availed earlier due to non-receipt of inward supplies in the said tax period
 - ITC not availed earlier due to error or omission
 - ITC availed in respect of import of goods which is not reflected in **GSTR-2B**
 - ITC availed in respect of inward supplies from SEZ which are not reflected in **GSTR-2B**
 - Excess reversal of ITC in earlier tax periods which is reclaimed in the tax period under consideration
 - Re-credit of ITC on payment made to supplier which was reversed as per rule 37 in earlier tax periods

- Re-credit of ITC on filing of return by supplier which was reversed as per rule 37A in earlier tax periods
- Error in filing GSTR-3B which will be rectified in next tax period
- Any other reason as specified by the registered person
- The explanation provided should be specific and self-explanatory. For e.g – If the difference is on account of an error in GSTR-3B of the tax period under consideration, then it is advisable to describe the nature of error, the amount of excess claim on account of such error & the subsequent tax period in which it has been rectified.
- The registered person should make sure that his reply is consistent with the details reported in GSTR-3B filed by him in order to avoid rejection by the officer. For e.g – If the explanation provided states that the excess claim is on account of re-credit of ITC on payment made to supplier which was reversed in GSTR-3B of March 2023, then GSTR-3B of that month should reflect reversal of ITC of such amount in Table 4(B)(2) which is greater than or equal to the amount being claimed.
- Where no explanation is provided by the registered tax payer within 7 days or if the explanation provided is not found to be acceptable by the proper officer, then the proper officer shall initiate proceedings under section 79.

ii) **Rule 88C: Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return**

- (1) Where the tax payable by a registered person, in accordance with the statement of outward supplies furnished by him in FORM **GSTR-1** or using the Invoice Furnishing Facility in respect of a tax period, exceeds the amount of tax payable by such person in accordance with the return for that period furnished by him in FORM **GSTR-3B**, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference in Part A of FORM GST **DRC-01B**, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said difference and directing him to-
 - (a) pay the differential tax liability, along with interest under **section 50**, through FORM GST **DRC-03**; or
 - (b) explain the aforesaid difference in tax payable on the common portal, within a period of 7 days.
- (2) The registered person referred to sub-rule (1) shall, upon receipt of the intimation referred to in that sub-rule, either-
 - (a) pay the amount of the differential tax liability, as specified in Part A of FORM GST **DRC-01B**, fully or partially, along with interest under **section 50**, through FORM GST **DRC-03** and furnish the details thereof in Part B of FORM GST **DRC-01B** electronically on the common portal; or
 - (b) furnish a reply electronically on the common portal, incorporating reasons in respect of that part of the differential tax liability that has remained unpaid, if any, in Part B of FORM GST **DRC-01B**, within the period specified in the said sub-rule.

- (3) Where any amount specified in the intimation referred to in sub-rule (1) remains unpaid within the period specified in that sub-rule and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be recoverable in accordance with the provisions of **section 79**.

[Introduced vide **CGST (Fifth Amendment) Rules, 2022** dated 26.12.2022 w.e.f. 26.12.2022]

Analysis of Rule 88C:

- According to Rule 88C, if the **GST liability** of the registered person **as per GSTR-1 / IFF** exceeds the GST paid via **GSTR-3B** by such amount and such percentage as may be specified, then he will receive an intimation in **Part-A of Form GST DRC-01B**. Such intimation will be displayed on his GSTN portal and will also be sent to him on his email ID registered on GSTN portal.
- Upon receiving this intimation, the registered person has following three options to address the variance in tax payable between Form GSTR-1 and Form GSTR-3B:

Option 1: Pay the differential tax liability in full through Form **DRC-03**, along with interest as per section 50 and **report the details** of payment in **Part B of Form GST DRC-01B electronically** on the GST portal.

Option 2: Provide an explanation giving details of all the reasons for difference in **PART-B of Form DRC-01B** electronically **within 7 days** from the date of receiving the intimation.

Option 3: Partly pay the differential tax liability through Form **DRC-03**, along with interest as per section 50 and report the details of payment along with **an explanation** for the balance differential tax liability in **Part-B of Form DRC-01B** electronically **within 7 days** from the date of receiving the intimation.

- While providing the explanation, the differences on account of the following reasons will have to be identified & reported separately:
 - Excess tax liability paid in earlier tax period in GSTR-3B
 - Transactions of earlier tax periods in respect of which tax has already been paid but have been declared in GSTR-1 of tax period under consideration
 - Incorrect details reported in GSTR-1 which will be amended in next tax period
 - Error in reporting of advances received and adjusted against invoices
 - Any other reasons as specified by the registered person
- Where no explanation is provided by the registered tax payer within 7 days or if the explanation provided is not found to be acceptable by the proper officer, then the proper officer shall initiate proceedings under section 79

iii) **Rule 59: Amendment to provisions for blocking of filing of GSTR-1**

- (e) A registered person, to whom an intimation has been issued on the common portal under the provisions of sub-rule (1) of rule 88D in respect of a tax period or periods, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility for a subsequent tax period, unless he has either paid the amount equal to the excess input tax credit as specified in the said intimation or has furnished a reply explaining the reasons in respect of the amount of excess input tax credit that still remains to be paid, as required under the provisions of sub-rule (2) of rule 88D.

- (f) A registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the details of the bank account as per the provisions of rule 10A.

Note:

However, this regulation does not call for blockage of GSTR-1 or IFF where the provided response was deemed unsatisfactory by the tax authorities. In such cases, only recovery actions under section 79 of the CGST Act, 2017 will be initiated.

iv) **Rule 142B: Intimation of certain amounts liable to be recovered under section 79 of the Act**

Vide **Second Amendment rules 2023 rule 142B** has been inserted to provide for recovery of amount determined in accordance with **rule 88C** and its recovery under **section 79**. The same is reproduced as under-

- (1) Where, in accordance with **section 75** read with **rule 88C**, or otherwise, any amount of tax or interest has become recoverable under **section 79** and the same has remained unpaid, the proper officer shall intimate, electronically on the common portal, the details of the said amount in FORM GST **DRC-01D**, directing the person in default to pay the said amount, along with applicable interest, or, as the case may be, the amount of interest, within seven days of the date of the said intimation and the said amount shall be posted in Part-II of Electronic Liability Register in FORM GST **PMT-01**.
- (2) The intimation referred to in sub-rule (1) shall be treated as the notice for recovery.
- (3) Where any amount of tax or interest specified in the intimation referred to in sub-rule (1) remains unpaid on the expiry of the period specified in the said intimation, the proper officer shall proceed to recover the amount that remains unpaid in accordance with the provisions of **rule 143** or **rule 144** or **rule 145** or **rule 146** or **rule 147** or **rule 155** or **rule 156** or **rule 157** or **rule 160**.

2. Changes pertaining to Appeals under GST

1. **Goods and Services Tax Appellate Tribunal (Appointment and Conditions of Service of President and Members) Rules, 2023:** The Council has recommended the Rules governing appointment and conditions of President and Members of the proposed GST Appellate Tribunal for enabling smooth constitution and functioning of GST Appellate Tribunal. The Council also recommended that provisions of Finance Act, 2023 pertaining to GST Appellate Tribunal may be notified by the Centre **with effect from 01.08.2023**, so that the same can be brought into operation at the earliest.
2. **Amnesty Scheme for filing of appeals against demand orders in cases where appeal could not be filed within the allowable time period:**

The Council has recommended providing an amnesty scheme through a special procedure under section 148 of CGST Act, 2017 for taxable persons, who could not file an appeal under section 107 of the said Act, against the demand order under section 73 or 74 of CGST Act, 2017 passed on or before the 31st day of March, 2023, or whose appeal against the said order was rejected solely on the grounds that the said appeal was not filed within the time period specified in sub-section (1) of section 107. **In all such cases, filing of appeal by the registered persons will be allowed against such orders up to 31st January 2024**, subject to the condition of payment of an amount of pre-deposit of 12.5% of the tax under dispute, out of which at least 20% (i.e. 2.5% of the tax under dispute) should be debited from Electronic Cash Ledger. This will facilitate a large number of registered persons, who could not file appeal in the past within the specified time period.

3. Appeal can be filed manually if it is not possible to file it online because of non-availability of the decision or order to be appealed against on the common portal under Rule 108 & 109.
[Second amendment to CGST rules]

3. Key GST Changes Set to Take Effect from October 1, 2023: A Closer Look at Tax Changes

The world of taxation is ever-evolving, and staying informed about the latest changes is crucial for professionals. From October 1, 2023, key GST changes that are going to reshape the taxability in online gaming and various other aspects of GST. In this article, we take a closer look at the important changes taking place.

1. Section 10 of CGST Act: Composition Levy extended to suppliers of goods under e-commerce model

The advantage of the composition scheme, previously unavailable to registered individuals involved in goods supply via e-commerce platforms, will now be expanded to encompass them. Nevertheless, limitations will persist for registered individuals engaged in providing services through e-commerce operators.

2. Section 16 of CGST Act: Amendment for clarification regarding payment to the supplier within 180 days

The new amendment stipulates that if a recipient does not make payment to the supplier for the supply's value and tax within 180 days from the invoice date, the recipient must remit an amount equivalent to the Input Tax Credit (ITC) they have claimed, along with the interest payable as per Section 50 of the CGST Act. The provision prior to the amendment required the Input Tax Credit (ITC) to be added to the output tax liability. However, following the amendment, it involves either payment or reversal of ITC. As a result, the interest liability for such reversals will be calculated based on Section 50(3) of the CGST Act, rather than Section 50(1).

3. Section 17(5)(fa) of CGST Act: ITC blocked on CSR activities

Input Tax Credit (ITC) cannot be claimed on goods or services received by a taxable person, whether used or intended to be used for activities associated with fulfilling Corporate Social Responsibility (CSR) obligations.

4. Section 23(2) of CGST Act: Persons not liable for registration. Retrospective overriding effect of S. 23(2) on 22 and 25 w.e.f. July 2017

A retrospective amendment, effective from July 1, 2017, has been introduced to clarify that individuals who are exempted from obtaining registration through a notification under Section 23(2) of the CGST Act are not required to obtain registration, regardless of the provisions outlined in Section 22 (threshold limit cases) or Section 24 (mandatory cases). It's worth noting that individuals exempted from registration under Section 23(1) do not benefit from this amendment.

According to the amendment (i) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act, 2017; 13 of 2017. (ii) an agriculturist, to the extent of supply of produce out of cultivation of land. Also, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act."

5. Section 30 of CGST Act: Time limit on application for revocation of cancelled registration

The previously prescribed 30-day time limit under Section 30 for submitting an application to revoke the cancellation of GST registration has been removed. The new time frame is now regulated by Rule 23, which has been extended to 90 days from the date of the cancellation order. Additionally, the Commissioner has the authority to grant an extension, not exceeding 180 days, as deemed necessary.

6. Section 37, 39, 44, and 52 of CGST Act: Limitation of 3 years on filing of returns

After a period of 3 years from the due date of furnishing the relevant return, the registered individual is not permitted to submit returns in GSTR-1, GSTR-3B, GSTR-9, GSTR-9C, and GSTR-8.

7. Section 132 of CGST Act: Punishment of certain offences

Removing Criminalization of Certain Offenses: Eliminating the designation of offenses listed in clause (g), (j), and (k) from Section 132(1) of the CGST Act, 2017. The revised monetary threshold for initiating prosecution has been raised from Rs. 1 Crore to Rs. 2 Crore, except in cases related to counterfeit or bogus invoices. Therefore, for offenses unrelated to fake invoices, imprisonment may be pursued if the value exceeds Rs. 2 Crores, while prosecutions for fake invoices will continue to apply as per the previous threshold of Rs. 1 Crore.

8. Section 138 of CGST Act: Compounding of offences.

No Compounding of offences: Fake/bogus invoice cases excluded from the option of compounding of offences.

Reduction in Compounding fees: Reduction of amount for compounding of various offences except offence of fake invoice, by reducing the minimum and maximum amount for compounding.

	Earlier	New
Minimum	Higher of Rs. 10,000 or 50% of tax involved	25% of Tax involved
Maximum	Higher of Rs. 30,000 or 150% of tax involved	100% of Tax involved

Sub rule (3A) has been inserted under Rule 162 of CGST rules, 2017 to prescribe compounding amounts for various offences under section 132 of CGST Act, 2017.

9. Section 158A of CGST:

Section 158A read with Rule 163 has enabled sharing of information or details furnished by a taxable person on the GST common portal with such other systems as may be notified by government. This is consent based sharing of information.

10. Section 12(8) and 13(9) of IGST: Place of Supply in relation of Transportation of Goods:

Place of supply of transportation of goods, including by mail or courier (Section 12(8) of IGST Act):

To remove the Proviso to Section 12(8) in order to determine the place of supply, regardless of the goods' destination, when both the service provider and recipient are situated in India. In such cases, the Place of Supply (POS) will be the location of the registered recipient.

11. **Place of supply of transportation of goods, other than by mail or courier (Section 13 of IGST Act):**

Section 13(9) of the IGST Act, 2017, has been removed. This change establishes that the place of supply of services related to the transportation of goods, excluding mail or courier services, will be governed by the default provision in Section 13(2) of the IGST Act. In cases where either the service provider or the service recipient is located outside India, the place of supply will be the location of the service recipient. Consequently, services provided to recipients outside India will be categorized as exports, and services received from providers outside India will be considered imports of services, regardless of the destination of the goods involved.

12. **Section 16(1)(b) of IGST:**

Zero-rated supplies to SEZ for authorised operations: The words “for authorised operations” have been added to clause (b) of Section 16(1) to remove the ambiguity that only the supplies made for authorised operations to SEZ units or developers shall qualify as zero-rated supplies.

13. **Section 16(3), (4) of IGST:**

Zero-rated supplies not permitted with payment of IGST until notified.

The default option is now supplying under LUT without tax payment and claiming a refund of accumulated ITC, with the government authorized to notify categories permitted for IGST payment and refund route.

The CBIC vide Notification No. 1/2023–Integrated Tax dated July 31, 2023, permits tax payment for all exports of goods and services, barring specific goods like cigarettes, panmasala, and other tobacco-related products. Currently, no notification has been issued permitting supplies to SEZ units/developers with payment of IGST. Hence, the default route of LUT without payment of IGST would only be available.

14. **Notification 11 – IGST (Rate):**

Notified exemption of 5% GST under RCM on Ocean Freight

The three Notifications No. 11/2023, 12/2023 and 13/2023 - Integrated Tax (Rate) dated September 26, 2023 have made amendments in the Rate, Exemption, and RCM notifications of IGST to terminate the liability cast on the importers on the services supplied by a person located in the non-taxable territory (foreign shipping line) to a person located in the non-taxable territory (foreign supplier) by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India (in lieu of import ocean freight) in case of CIF imports under reverse charge. The amendments were made after more than a year of the Hon'ble Supreme Court's judgement in Union of India v. M/s Mohit Minerals Pvt. Ltd. wherein the Supreme Court had held the reverse charge levy on importer as import of service is violative of Section 8 of the CGST Act, 2017, and decided in favour of the Indian importers.

4. **GST Council recommendations in 50, 51 & 52 Meeting**

1. As a trade friendly measure, it has been decided that GTAs will not be required to file declaration for paying GST under forward charge every year. If they have exercised this option for a particular financial year, they shall be deemed to have exercised it for the next and future financial years unless they file a declaration that they want to revert to reverse charge mechanism (RCM).
2. It has also been decided that the last date of exercising the option by GTAs to pay GST under forward charge shall be 31st March of preceding Financial Year instead of 15th March. 1st January of preceding Financial Year shall be the start date for exercise of this option.

3. It has been decided to clarify that services supplied by a director of a company to the company in his private or personal capacity such as supplying services by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by a director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate under notification No. 13/2017-CTR (Sl. No. 6) dated 28.06.2017.
4. It has been decided to clarify that supply of food and beverages in cinema halls is taxable as restaurant service as long as (a) they are supplied by way of or as part of a service and (b) supplied independently of the cinema exhibition service. Where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.
5. With effect from 1st January 2022, liability to pay GST on bus transportation services supplied through Electronic Commerce Operators (ECOs) has been placed on the ECO under section 9(5) of CGST Act, 2017. This trade facilitation measure was taken on the representation of industry association that most of the bus operators supplying service through ECO owned one or two buses and were not in a position to take registration and meet GST compliances. To arrive at a balance between the need of small operators for ease of doing business and the need of large organized players to take ITC, GST Council has recommended that bus operators organised as companies may be excluded from the purview of section 9(5) of CGST Act, 2017. This would enable them to pay GST on their supplies using their ITC.
6. Supply of all goods and services by Indian Railways shall be taxed under Forward Charge Mechanism to enable them to avail ITC. This will reduce the cost for Indian Railways.
7. **Annual Returns for FY 2022-23:** The Council has recommended that the relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23. Further, for easing compliance burden on smaller registered persons, exemption from filing of annual return (in FORM GSTR-9/9A) for registered persons having aggregate annual turnover upto Rs.2 crores to be continued for FY 2022-23 also. Hence the compliances of GSTR-9 & GSTR-9C for FY2022-23 remain in line with the compliances that were applicable for FY2021-22.
8. The Council has also recommended that amendment may be made in GST law to make ISD mechanism mandatory prospectively for distribution of input tax credit of common input services procured by the HO from third parties which are attributable to both HO & branch offices or exclusively to one or more branch offices.
9. As per the recommendations of the Council in its 48th meeting, Circular No. 183/15/2022-GST dated 27th December, 2022 was issued to provide for the procedure for verification of input tax credit in cases involving difference in Input Tax Credit availed in FORM GSTR-3B vis a vis that available as per FORM GSTR-2A during FY 2017-18 and 2018-19. To provide further relief to the registered persons, the Council recommended for further issuance of a circular to provide for similar procedure for verification of input tax credit in cases involving difference in Input Tax Credit availed in **FORM GSTR-3B** vis a vis that available as per **FORM GSTR-2A** during the period **01.04.2019 to 31.12.2021**.

10. **GST Council in its 50th & 51st meeting has recommended the taxation in casinos, horse racing and online gaming to be as follows:**
- Treating online gaming and horse racing as actionable claims
 - All three to be taxed at the uniform rate of 28%
 - Tax will be applicable on the face value of chips purchased in case of casinos, on full value of bets places in case of horse racing and on the amount deposited with the supplier in case of online gaming
11. **Clarifications regarding taxability of personal guarantee offered by directors to the bank against the credit limits/loans being sanctioned to the company and regarding taxability of corporate guarantee provided for related persons including corporate guarantee provided by holding company to its subsidiary company:** The Council has *inter alia* recommended to:
- issue a circular clarifying that when no consideration is paid by the company to the director in any form, directly or indirectly, for providing personal guarantee to the bank/ financial institutes on their behalf, the open market value of the said transaction/ supply may be treated as zero and hence, no tax to be payable in respect of such supply of services.
 - to insert sub-rule (2) in Rule 28 of CGST Rules, 2017, to provide for taxable value of supply of corporate guarantee provided between related parties as one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher.
 - to clarify through the circular that after the insertion of the said sub-rule, the value of such supply of services of corporate guarantee provided between related parties would be governed by the proposed sub-rule (2) of rule 28 of CGST Rules, 2017, irrespective of whether full ITC is available to the recipient of services or not.
12. **Provision for automatic restoration of provisionally attached property after completion of one year:** The Council has recommended an amendment in sub-rule (2) of Rule 159 of CGST Rules, 2017 and **FORM GST DRC-22** to provide that the order for provisional attachment in **FORM GST DRC-22** shall not be valid after expiry of one year from the date of the said order. This will facilitate release of provisionally attached properties after expiry period of one year, without need for separate specific written order from the Commissioner.
13. **Issuance of clarification relating to export of services-:** The Council has recommended to issue a circular to clarify the admissibility of export remittances received in Special INR Vostro account, as permitted by RBI, for the purpose of consideration of supply of services to qualify as export of services in terms of the provisions of sub-clause (iv) of clause (6) of section 2 of the IGST Act, 2017.
14. **Allowing supplies to SEZ units/ developer for authorised operations for IGST refund route by amendment in Notification 01/2023-Integrated Tax dated 31.07.2023:** The Council has recommended to amend Notification No. 1/2023-Integrated Tax dated 31.07.2023 w.e.f. 01.10.2023 so as to allow the suppliers to a Special Economic Zone developer or a Special Economic Zone unit for authorised operations to make supply of goods or services (except the commodities like pan masala, tobacco, gutkha, etc. mentioned in the Notification No. 1/2023-Integrated Tax dated 31.07.2023) to the Special Economic Zone developer or the Special Economic Zone unit for authorised operations on payment of integrated tax and claim the refund of tax so paid.

