



FAQs Goods & Services Tax

Q.1 What are the opportunities available for Company Secretaries under Goods and Services Tax regime?

Ans. Under Goods and Services Tax, a Company Secretary has the following opportunities:

- **To act as a GST Practitioner**

Pursuant to Section 48 of CGST Act, 2017 read with Rule 83 of Central Goods and Services Tax Rules, 2017 (CGST Rules, 2017), any person who has passed the final examination of the Institute of Company Secretaries of India (ICSI) is eligible for enrolment as a Goods and Service Tax Practitioner.

- **To represent before the Appellate Authority**

Under Section 116 of Central GST Act, 2017, 2017, read with Rule 84 of CGST Rules, 2017, a Company Secretary is entitled to appear before an officer appointed under this Act, or the Appellate Authority or the Appellate Tribunal in connection with any proceedings under this Act.

In addition to the above, the Company Secretary may also perform the following types of services under GST:-

- A Company Secretary can comprehensively interpret the law and provide complete guidance and advisory to the business entities.
- A Company Secretary can help in providing guidance on proper tax planning to the client.
- Like any other tax laws, GST would also require proper record keeping and maintaining systematic records of credit of input/input service and its proper utilization etc. Company Secretaries have competent skills to perform these tasks.
- Reconciliations of mismatch in sales and purchases details with Electronic Credit Ledger, Electronic Cash Ledger and Electronic Liability Registered maintained by GSTN with the books of accounts of supplier are required. Every supplier has to keep his E-Tax ledgers and reconciliations up to date and while doing this, they require internal check in the entity of the supplier to reconcile E-Tax Ledgers. Company Secretaries have competent skills to perform these tasks as well.
- Vetting of legal documents and drafting agreements, etc. also requires professional skills. A Company Secretary possesses acumen in this area and could assist in drafting legal documents like replies to show cause notice, representation at appellate forums, representations before adjudicating authority, providing opinions and clarifications.

Q.2 If a Company Secretary provides a service for which the invoices have not been issued within 30 days of the date of service, what will be the time of supply?

Ans. A Company Secretary provides various services to his clients. Determination of time of supply is of immense importance as it helps in determining value of tax and date of payment of tax.

In the above case, the time of supply will be determined as provided in Section 13(2) of the CGST Act, 2017 which states that the time of supply will be earliest of the following:

- (a) the **date of issue of invoice** by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the **date of receipt of payment, whichever is earlier**; or
- (b) the **date of provision of service**, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the **date of receipt of payment, whichever is earlier**; or
- (c) the **date on which the recipient shows the receipt of services in his books of account**, in a case where the provisions of clause (a) or clause (b) do not apply:

Where the supplier of taxable service receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice relating to such excess amount.

Explanation.—For the purposes of clauses (a) and (b)—

- (i) the supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment;
- (ii) “the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

Q.3 How services provided by a professional as a Company Secretary would be taxed?

Ans As per the information available in the service rate list under GST, professional services seek to fall under the rate of 18%.

Q.4 A Practicing Company Secretary whose aggregate turnover is less than the threshold limits but have clients across different states. Does he need to get registration under GST?

Ans Section 22 of the CGST Act, 2017 specifies the person liable for registration. Pursuant to this, liability to pay tax arises when the taxable person crosses the turnover threshold of Rs. 20 lakhs (Rs. 10 lakhs for NE & Special Category States). Further, section 24 of the CGST Act, 2017, list categories of persons who are specifically required to take registration even if they are not covered under section 22 of the said Act. Section 24(i) specifically states that a person who makes interstate taxable supply is required to take registration under GST.

Thus even if aggregate turnover is less than the threshold limit, a Practicing Company Secretary needs to take registration, since he is providing interstate supply of taxable services.

Q.5 How can a Company Secretary become a GST Practitioner?

Ans. A Professional who is desirous of becoming a GST Practitioner has to submit an application in the form GST PCT-1. The application shall be scrutinised and GST Practitioner certificate shall be granted in the form GST PCT-2. In case, the application is rejected, proper reasons shall have to be mentioned in the form GST PCT-4. The enrolment once done, remains valid till it is cancelled. But no person enrolled as a Goods and Services Tax Practitioner shall be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council. Any person who has been enrolled as Goods and Services Tax Practitioner by virtue of him being enrolled as a sales tax practitioner or tax return preparer under the existing law shall remain enrolled only for a period of one year from the appointed date unless he passes the said examination within the said period of one year.

Q.6 What all activities can be performed by a CS Professional as a GST Practitioner?

Ans. A Goods and Services Tax Practitioner can undertake any or all of the following activities on behalf of a registered person:

- i. furnish details of outward and inward supplies
- ii. furnish monthly, quarterly, annual or final return
- iii. make deposit for credit into the electronic cash ledger
- iv. file a claim for refund and
- v. file an application for amendment or cancellation of registration.

But it has been provided that a confirmation from a registered person shall be sought where an application relating to a claim for refund or an application for amendment or cancellation of registration has been submitted by the Goods and Services Tax Practitioner.

Q.7 If a Practicing Company Secretary supplies taxable services to an unregistered person, what will be the place of supply?

Ans The place of supply of services where location of supplier and recipient is in India is governed under section 12 of the IGST Act, 2017. The section specifically provides that if services are supplied to an unregistered person, the place of supply will be location of recipient where address on records exist or location of the supplier of services in any other case.

Q.8 What is the provision of Invoice if a registered taxable Practicing Company Secretary is providing continuous supply of service?

Ans. If a registered taxable Practicing Company Secretary is providing continuous supply of service to his clients, where successive statements of accounts or successive payments are involved, invoice can be raised before or at the time each such statements is issued or, as the case may be, each such payment is received.

Q.9 What all returns does a practicing Company Secretary needs to furnish under GST for ?

Ans A registered taxable person needs to file following return under GST regime:

Form	Type	Timeline
GSTR-1	Outward Supply of taxable services	Within 10 th of next month
GSTR-2	Inward Supply of taxable services	After the 10 th day but on or before the 15 th day of the month succeeding the tax period
GSTR-3	Monthly return	On or before the 20 th day of the month succeeding such calendar month or part thereof
GSTR-9	Annual return	On or before the 31 st day of December following the end of such financial year.

With the objective of ensuring smooth rollout of GST and taking into account the concerns expressed by the trade and industry regarding filing of the returns in GST regime, it has been decided that, for the first two months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month. However, the invoice-wise details in regular GSTR-1 would have to be filed **for the months of July and August, 2017** as per the timelines given below –

For July and August

Month	GST- 3B	GSTR-1	GSTR-2 (Auto populated from GSTR-1)	GSTR- 3
July	20th August	1 st -5 th September*	6 th – 10 th September	11 th -15 th September
August	20th September	16 th – 20 th September	21 st -25 th September	26 th – 30 th September

** Facility for uploading of outward supplies for July, 2017 is available from 15th July, 2017*

Q.10 What is the Service Accounting Code for a Practicing Company Secretary?

Ans. Under the GST regime, there is no code for service provider but codes are in accordance to the services provided. The following is a list of few services provided by Practicing Company Secretaries and their SAC Codes may be used, as follows:

Heading no. 9982		Legal and accounting services
Group 99821		Legal services
	998211	Legal advisory and representation services concerning criminal law.
	998212	Legal advisory and representation services concerning other fields of law.
	998213	Legal documentation and certification services concerning patents, copyrights and other intellectual property rights.
	998214	Legal documentation and certification services concerning other documents.
	998215	Arbitration and conciliation services
	998216	Other legal services n.e.c.
Group 99822		Accounting, auditing and bookkeeping services
	998221	Financial auditing services
	998222	Accounting and bookkeeping services
	998223	Payroll services
	998224	Other similar services n.e.c
Group 99823		Tax consultancy and preparation services
	998231	Corporate tax consulting and preparation services
	998232	Individual tax preparation and planning services
Group 99824		Insolvency and receivership services
	998240	Insolvency and receivership services
	998399	Other professional, technical and business services n.e.c.

Group 99715		Services auxiliary to financial services (other than to insurance and pensions)
	997151	Services related to investment banking such as mergers and acquisition services corporate finance and venture capital services
	997156	Financial consultancy services
	997159	Other services auxiliary to financial services
Group 99951		Services furnished by business, employers and professional organisations Services
	999511	Services furnished by business and employers organisations
	999512	Services furnished by professional organisations
Heading 9983		Other professional, technical and business services
Group 99831		Management consulting and management services; information technology services
	998311	Management consulting and management services including financial, strategic, human resources, marketing, operations and supply chain management
	998312	Business consulting services including public relations services
	998313	Information technology consulting and support services

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