TIME OF SUPPLY OF GOODS & SERVICES

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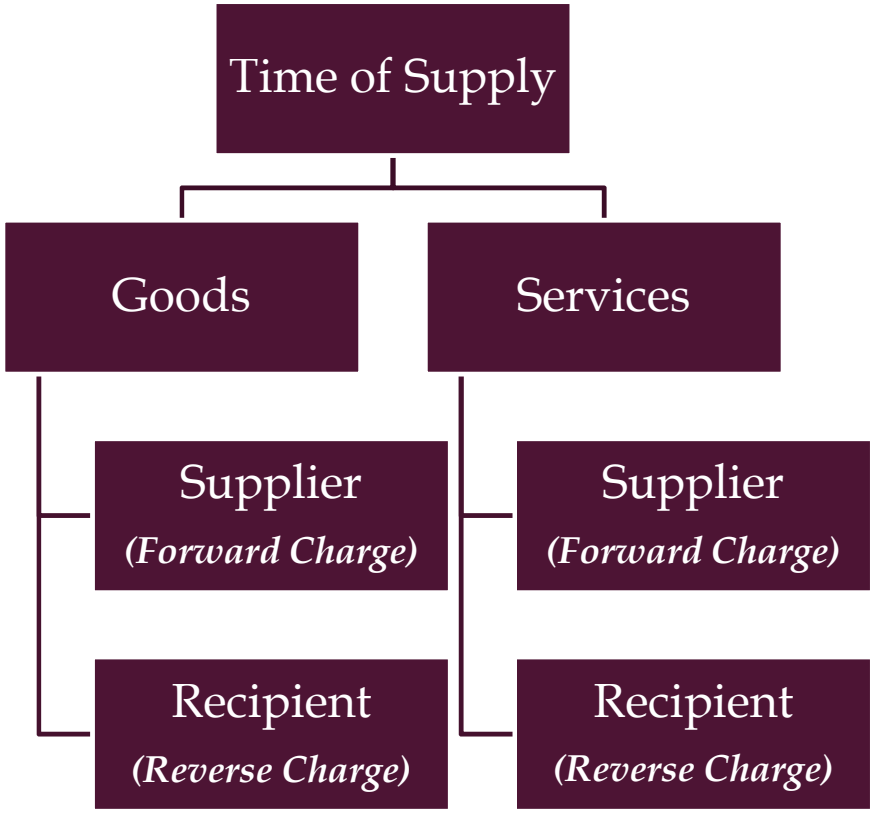
POINT OF TAXATION (POT)

- POT under GST is "Time of Supply"
- Knowing precise time of supply triggers the provisions for collection of the levy i.e. CGST/SGST
- Supply i.e. taxable event decides what tax is imposed, time of supply decides when this tax is imposed
- If the precise time of supply is not arrived, tax payer is free from any obligation to pay tax and Govt. has to wait for its share of revenue.

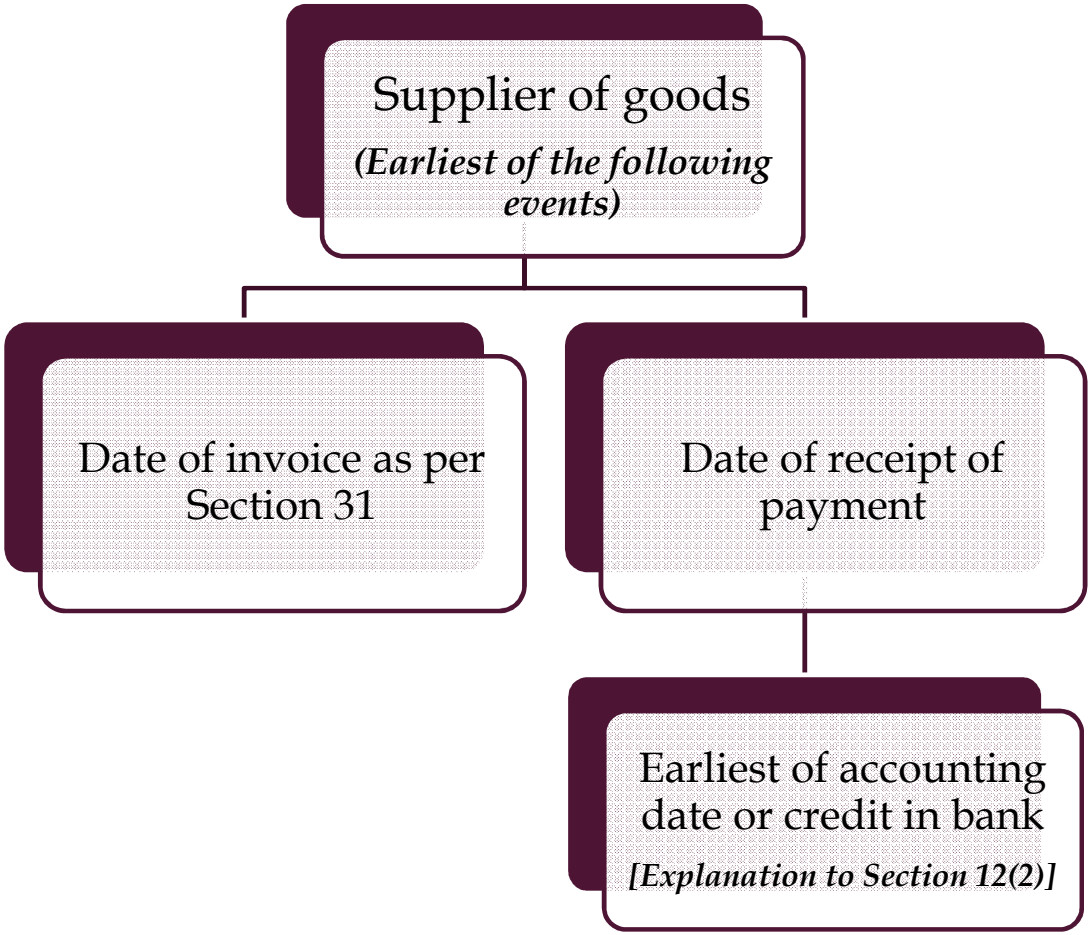
TIME OF SUPPLY [SECTION 12]

Present Regime	
VAT	• Transfer of title (Invoice)
Excise	• Removal of goods
Service Tax	• Earlier of Invoice or payment

GST



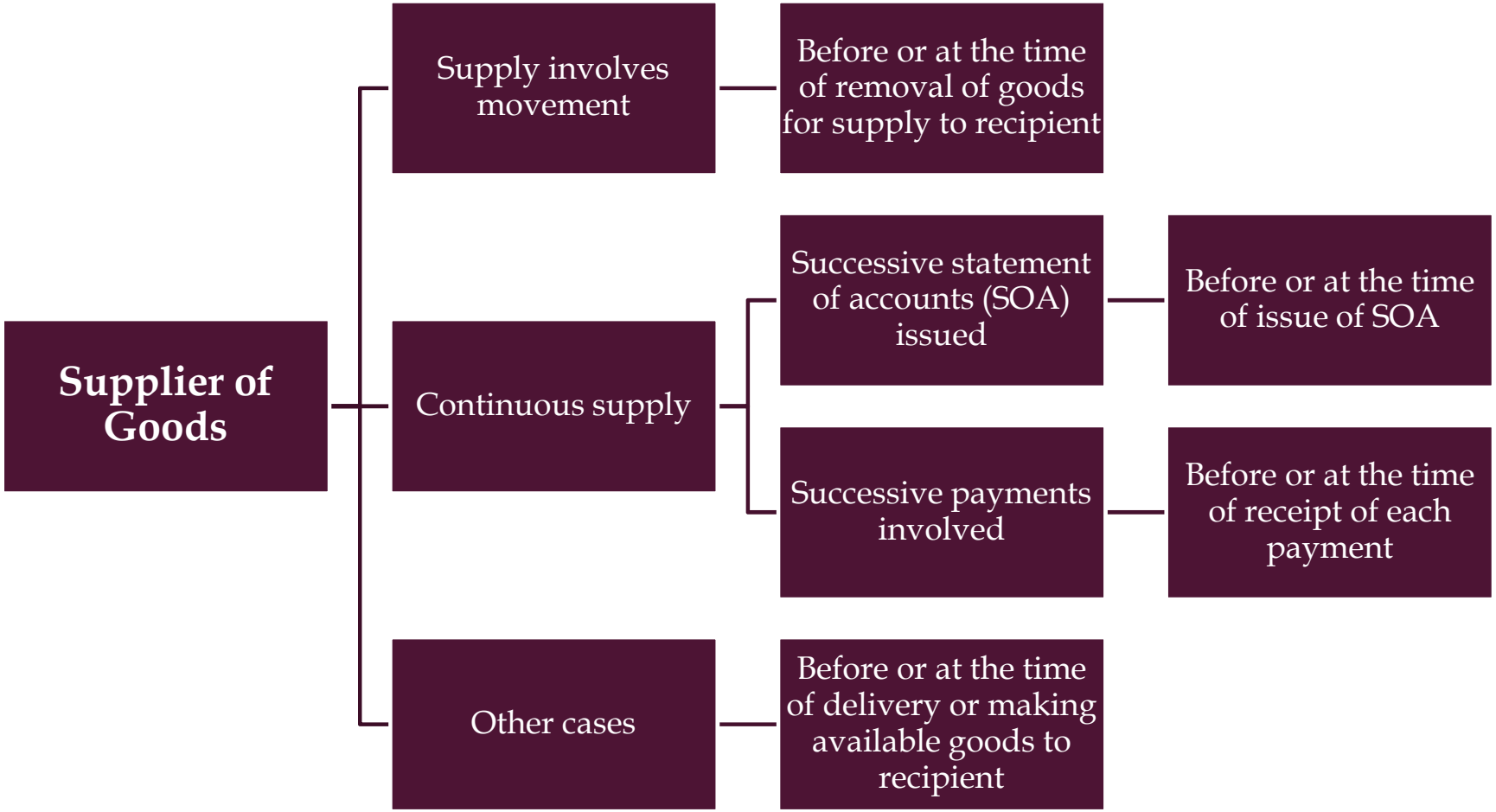
TIME OF SUPPLY OF GOODS: SUPPLIER [SECTION 12(2)]



Explanations to Section 12(2)

- Supplies are deemed to be made to the extent it is covered by invoice/payment.
- If supplier receives an amount up to Rs.1,000/- in excess of the amount indicated in the tax invoice, the time of supply in respect of such excess amount shall be the date of issue of Invoice

TIME LIMIT FOR ISSUE OF TAX INVOICE – SUPPLIER OF GOODS [SECTION 31(1) & (4)]



TIME LIMIT FOR ISSUE OF TAX INVOICE – SALE ON APPROVAL OR RETURN [SECTION 31(7)]

TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Invoice Date	Invoice due date	Payment entry in supplier's books	Credit in bank account	Time of Supply
Invoice raised before removal	10.10.17	20.10.17	26.10.17	30.10.17	**10.10.17**
Advance received	30.10.17	20.10.17	10.10.17	30.10.17	**10.10.17**
Delayed issue of invoice	28.10.17	20.10.17	28.10.17	02.06.17	**20.10.17**

TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Invoice / Document Date	Removal of goods	Delivery of goods	Receipt of payment	Time of Supply
Supply involves movement of goods					
Delayed issue of invoice	26.10.17	20.10.17	26.10.17	26.10.17	**20.10.17**
Interstate stock transfer	10.10.17	20.10.17	26.10.17	-	**10.10.17**
Advance received & invoice issued on the same day for full value of supply	30.10.17	10.11.17	14.11.17	20.11.17	**30.10.17**

TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Invoice Date	Receipt of invoice by Recipient	Delivery of goods	Receipt of payment	Time of Supply
Supply otherwise than involving movement of goods					
Delayed issue of invoice	30.10.17	05.11.17	26.10.17	10.11.17	**26.10.17**
Invoice issued prior to delivery	20.10.17	10.11.17	26.10.17	10.11.17	**20.10.17**

TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Invoice Date	Removal of goods	SOA / Payment due date	Receipt of payment	Time of Supply
Continuous supply of goods					
Contract provides for successive statements of accounts (SOA) / successive payments	01.11.17	15.10.17	05.11.17	01.11.17	**01.11.17**
	01.11.17	25.10.17	05.11.17	01.11.17	**01.11.17**
	11.12.17	08.11.17	05.12.17	11.12.17	**05.12.17**
	08.01.18	14.12.17	05.01.18	01.01.18	**01.01.18**
	08.01.18	23.12.17	05.01.18	01.01.18	**01.01.18**

TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Removal of goods	Issue of invoice	Accepted by Recipient	Receipt of payment	Time of Supply
Sale on approval basis					
Acceptance communicated within 6 months of removal	01.11.17	25.11.17	15.11.17	25.11.17	**15.11.17**
Amount paid to supplier before informing acceptance	01.11.17	25.11.17	15.11.17	12.11.17	**12.11.17**
Acceptance not communicated within 6 months of removal	01.10.17	15.05.18	15.05.18	02.05.18	**01.04.18**

TIME OF SUPPLY OF GOODS: RECIPIENT [SECTION 12(3)]

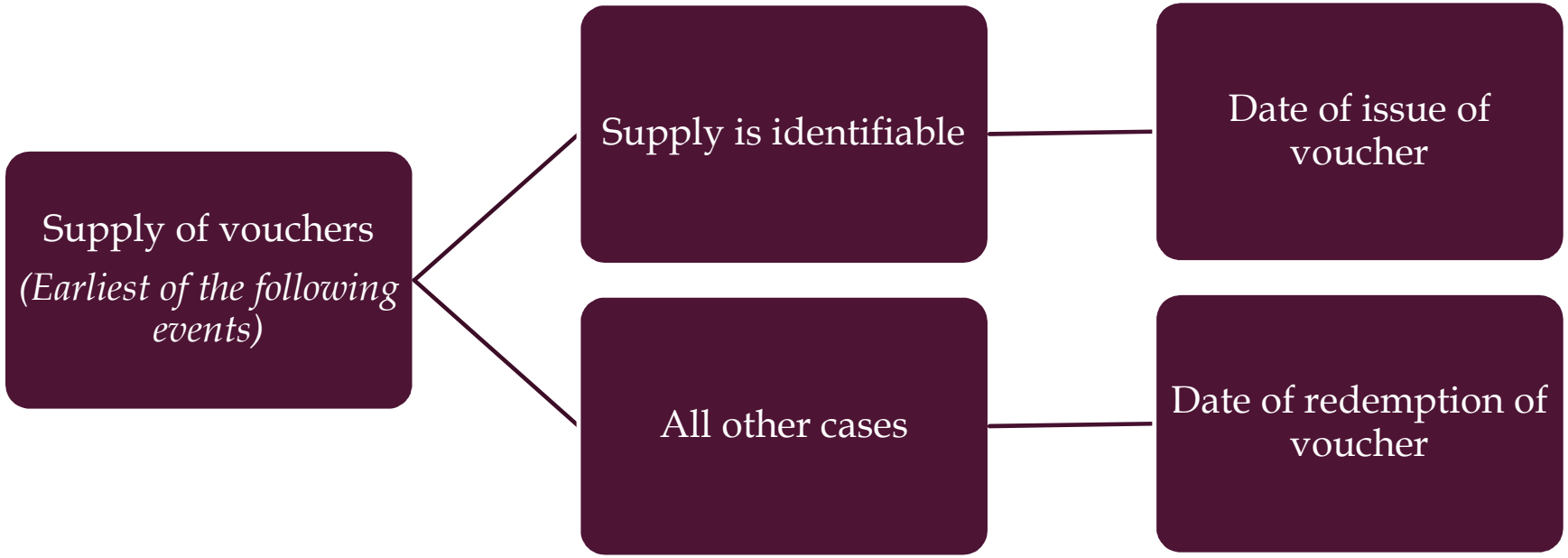
Recipient of goods
(Earliest of the following events)

- Date of receipt of goods
- Date of making payment
  - Earliest of accounting date or debit in bank
    [Explanation to Section 12(3)]
- 30 days from the date of issue of invoice by the supplier
- Date of entry in the books of recipient

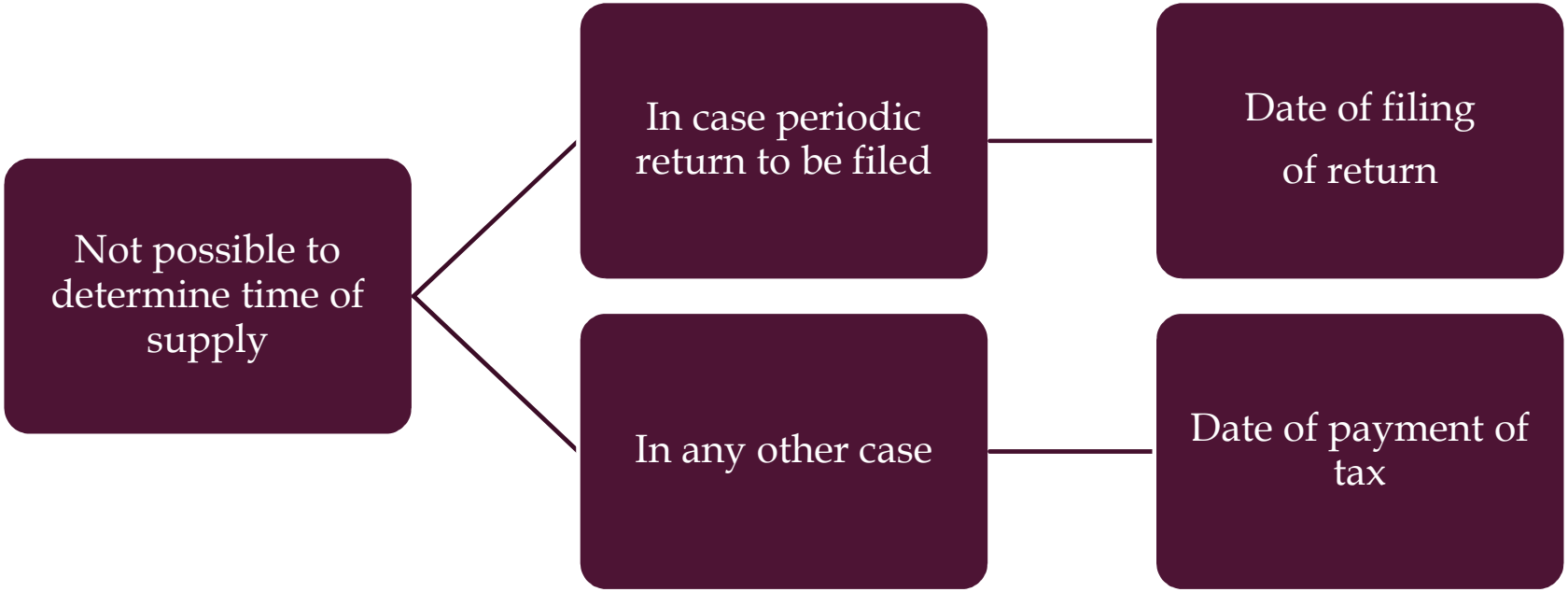
TIME OF SUPPLY OF GOODS: EXAMPLES

Particulars	Invoice Date	Removal of goods	Receipt of goods	Payment by Recipient	Time of Supply
General	31.10.17	31.10.17	20.11.17	30.11.17	**20.11.17**
Advance paid	31.10.17	31.10.17	20.11.17	05.11.17	**05.11.17**
No payment made for the supply	31.10.17	30.12.17	05.01.18	-	**30.11.17**

TIME OF SUPPLY OF GOODS: VOUCHERS [SECTION 12(4)]



TIME OF SUPPLY OF GOODS: RESIDUARY [SECTION 12(5)]



TIME OF SUPPLY OF SERVICES: SUPPLIER [SECTION 13(2)]

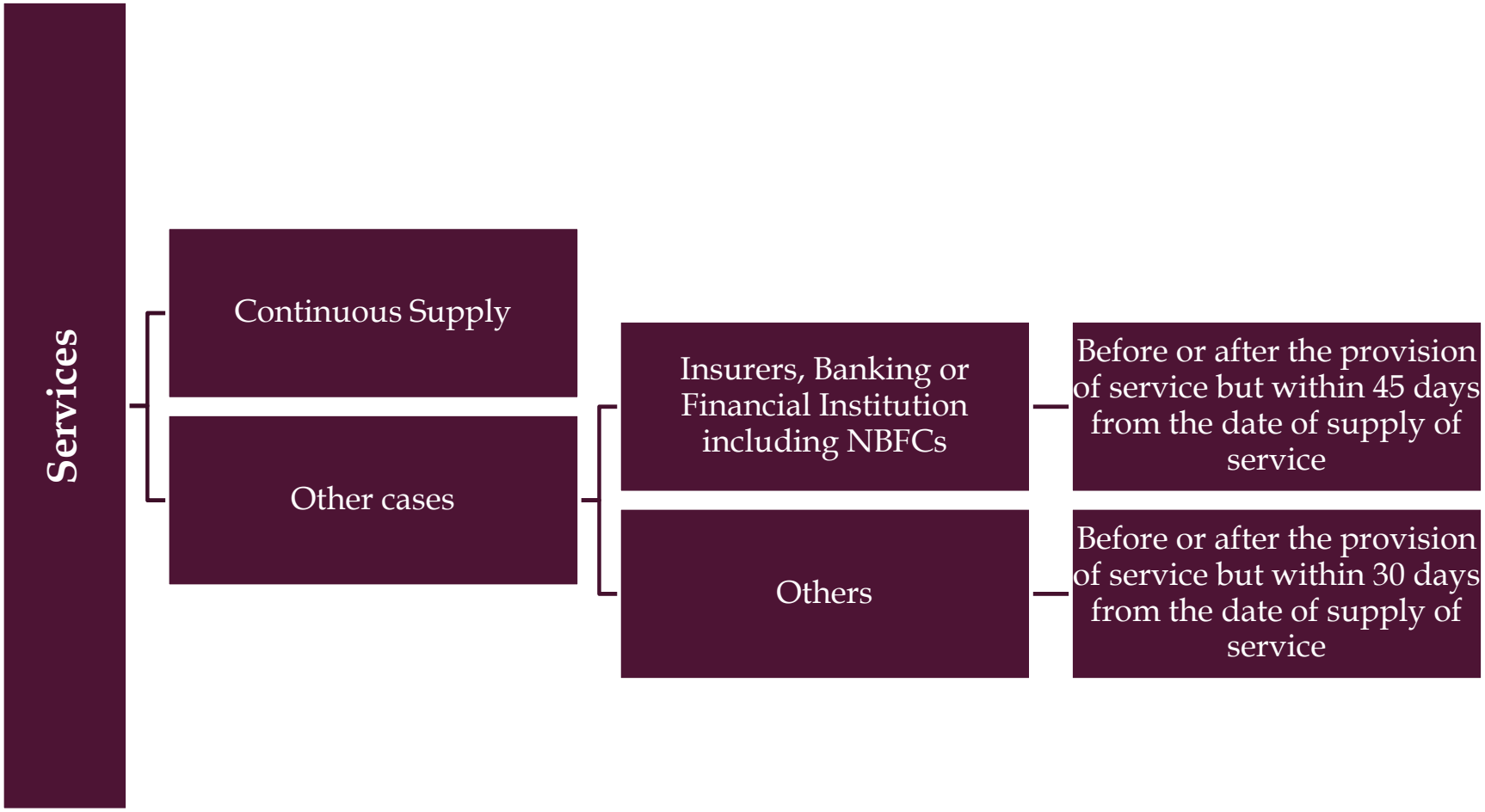
Supplier of services
(Earliest of the following events)

- Invoice is issued within the time prescribed under Section 31
  - Date of invoice
  - Date of receipt of payment
- Invoice is not issued within the time prescribed under Section 31
  - Date of provision of service
  - Date of receipt of payment

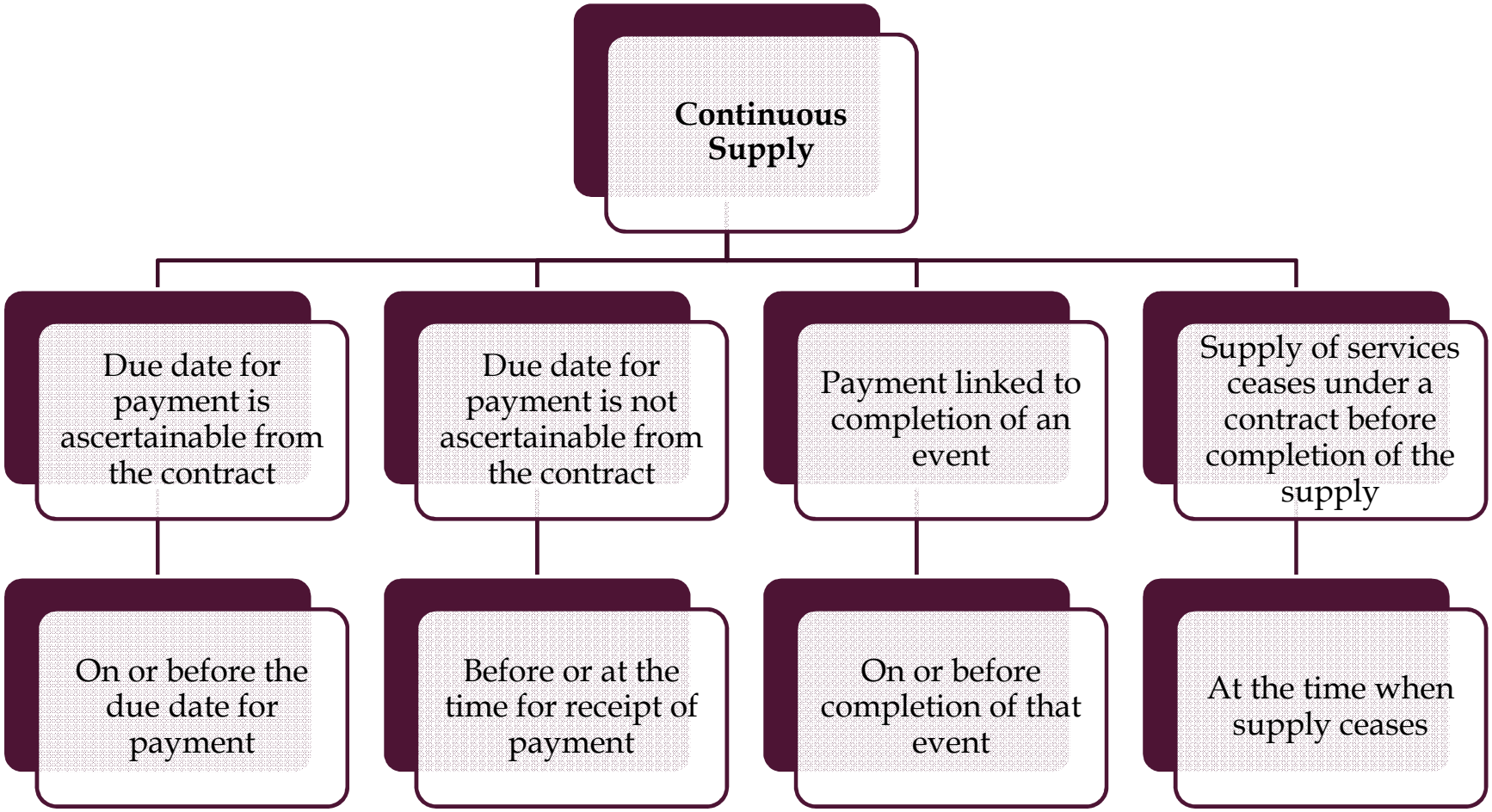
Explanations to Section 13(2)

- Date of receipt of payment is earliest of accounting date or credit in bank.
- Supplies are deemed to be made to the extent it is covered by invoice/payment.
- If supplier receives an amount up to Rs.1,000/- in excess of the amount indicated in the tax invoice, the time of supply in respect of such excess amount shall be the date of issue of Invoice

TIME LIMIT FOR ISSUE OF TAX INVOICE – SUPPLIER OF SERVICES [SECTION 31(2)]



TIME LIMIT FOR ISSUE OF TAX INVOICE – SUPPLIER OF SERVICES [SECTION 31(5)]



TIME OF SUPPLY OF SERVICES: RECIPIENT [SECTION 13(3)]

Recipient of services
(Earliest of the following events)

- Date of making payment
  - Earliest of accounting date or debit in bank
    [Explanation to Section 13(3)]
- 60 days from the date of issue of invoice by the supplier
- Date of entry in the books of recipient

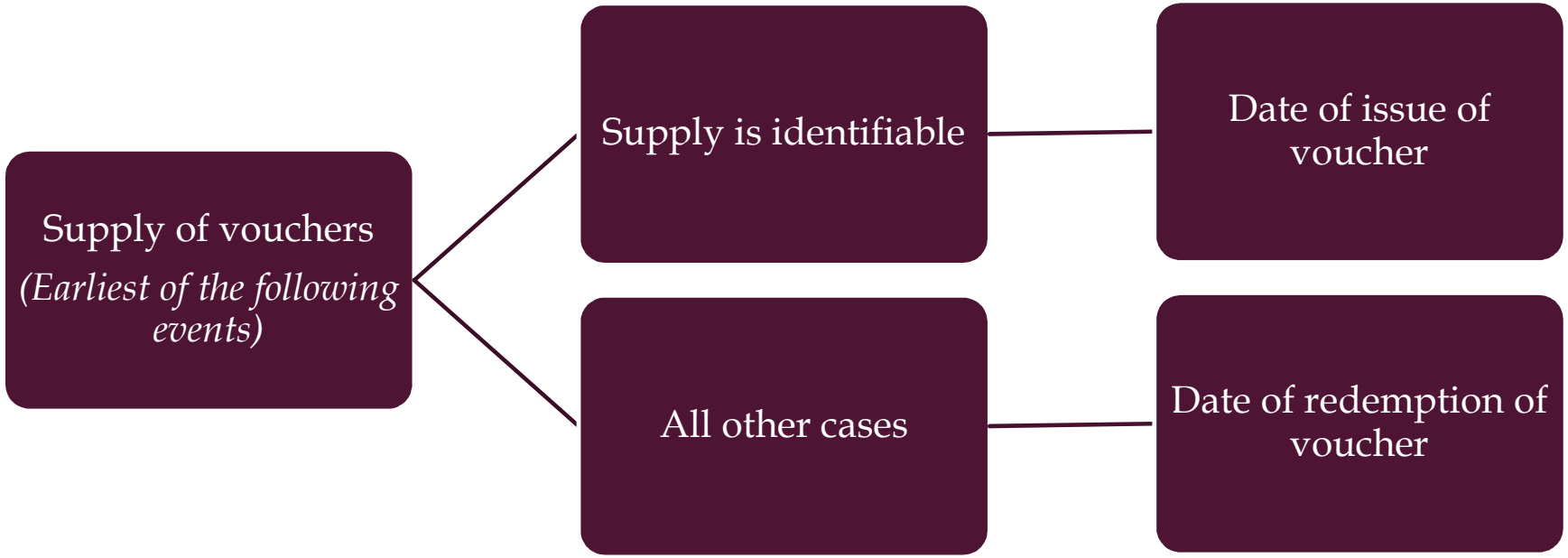
TIME OF SUPPLY OF SERVICES: ASSOCIATED ENTERPRISES [SECTION 13(3)]

In case of Associated enterprises where supplier of service located outside India

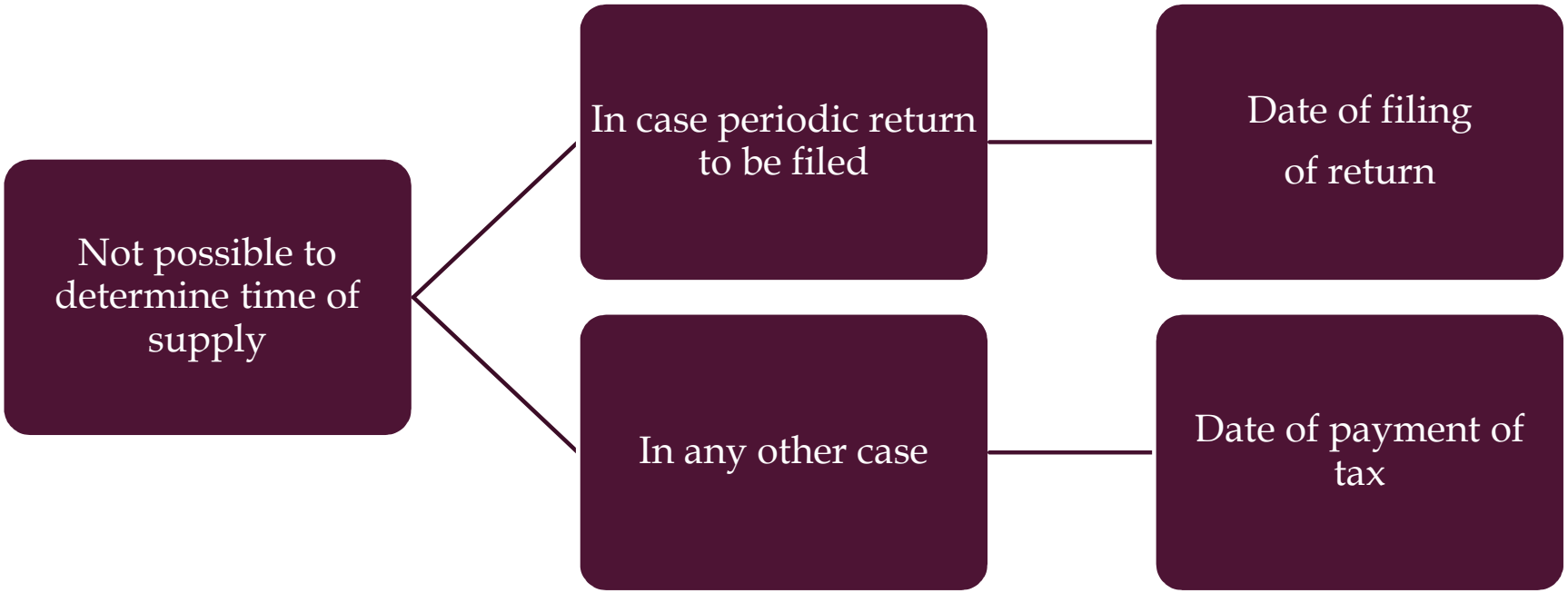
(Earliest of the following events)

- Date of entry in books
- Date of payment

TIME OF SUPPLY OF SERVICES: VOUCHERS [SECTION 13(4)]



TIME OF SUPPLY OF SERVICES: OTHERS [SECTION 13(5)]



TIME OF SUPPLY OF SERVICES: EXAMPLES

Particulars	Invoice Date	Invoice due date	Payment entry in Supplier 's books	Credit in bank account	Time of Supply
Invoice raised before completion of service	10.10.17	20.10.17	26.10.17	30.10.17	**10.10.17**
Advance received	30.10.17	20.10.17	10.10.17	30.10.17	**10.10.17**

TIME OF SUPPLY OF SERVICES: EXAMPLES

Particulars	Invoice Date	Commencement of service	Completion of service	Receipt of payment	Time of Supply
Delayed issue of invoice	26.12.17	20.10.17	16.11.17	28.01.18	**16.12.17**
Advance received and invoice issued on the same day for full value of supply	30.10.17	30.10.17	30.12.17	30.10.17	**30.10.17**
	30.10.17	30.10.17	30.12.17	04.12.17	**30.10.17**

TIME OF SUPPLY OF SERVICES: EXAMPLES

Particulars	Invoice Date	Date as per Contract	Receipt of payment	Entry of provision of service in books	Time of Supply
Continuous supply of services					
Contract provides for payments monthly on the 10th of succeeding month	02.11.17	10.11.17	15.11.17	31.10.17	**02.11.17**
	17.12.17	10.12.17	15.12.17	30.11.17	**10.12.17**
	10.01.18	10.01.18	06.01.18	31.12.17	**06.01.18**
Contract provides for payments on completion of event. Recipient to pay within 1 month from the date of completion	12.11.17	10.11.17	25.11.17	12.11.17	**10.11.17**
	24.04.18	24.04.18	20.04.18	24.04.18	**20.04.18**

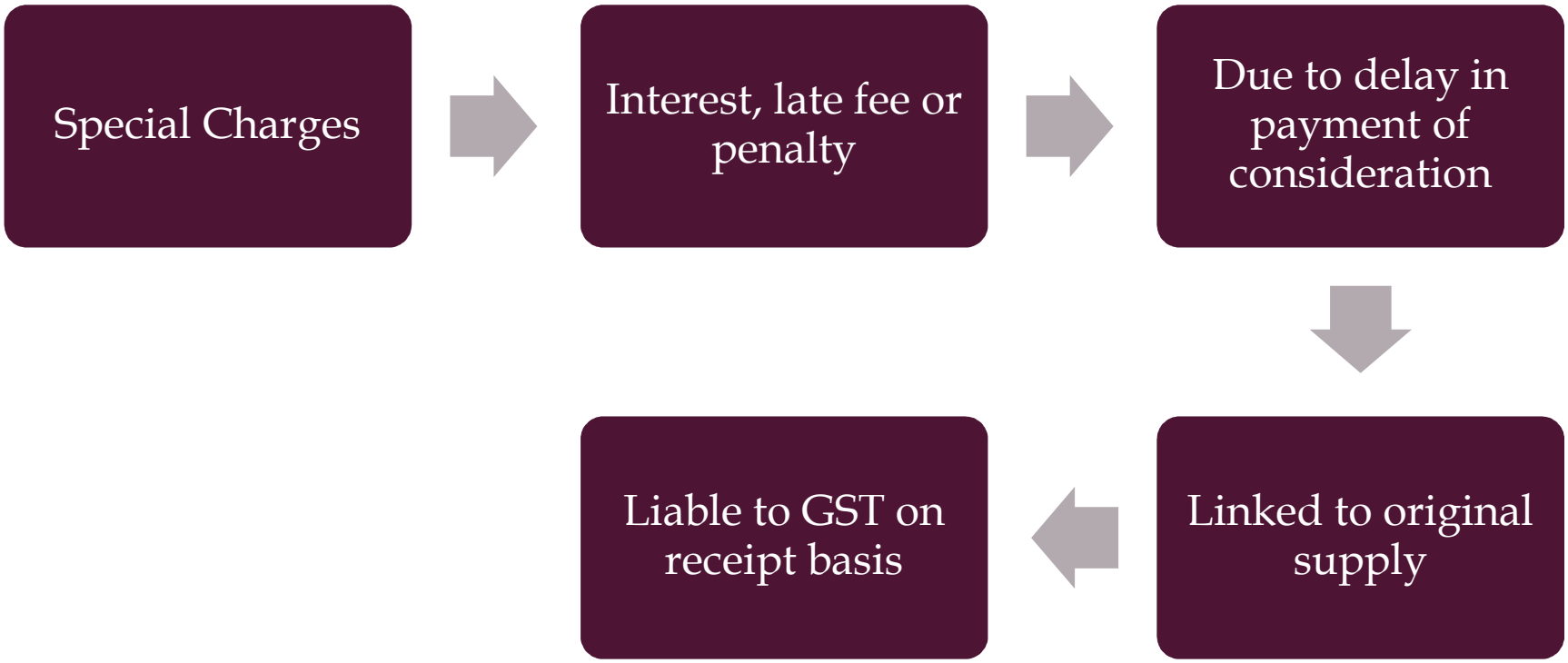
TIME OF SUPPLY OF SERVICES: EXAMPLES

Particulars	Date of invoice issued by Supplier	Date of completion of service	Payment by Recipient	Entry of receipt of services by Recipient	Time of Supply
General	31.10.17	31.10.17	20.11.17	30.11.17	**20.11.17**
Advance paid	30.11.17	05.12.17	05.11.17	30.11.17	**05.11.17**
Delay in payment (Max. 60 days from the date of invoice)	31.10.17	31.10.17	10.01.18	31.10.17	**31.12.17**
Services received from associated enterprise located outside India	31.10.17	30.11.17	05.04.18	31.03.18	**31.03.18**
Service by unregistered person and no payment made	-	30.11.17	-	05.12.17	**05.12.17**

TIME OF SUPPLY OF SERVICES: EXAMPLES

Particulars	First Service / delivery of goods	Issue of Voucher	Redemption of Voucher	Last date for acceptance of voucher	Time of Supply
Voucher issued to a recipient after supply of a service or a specific goods, for the same service or goods valid for 1 year	01.11.17	01.11.17	14.12.17	30.10.18	**01.11.17**
Voucher issued to a recipient of a machinery at the time of delivery for availing repair services or specific goods worth Rs.5,000/- valid for 1 year	01.11.17	01.11.17	14.12.17	30.10.18	**01.11.17**
Voucher issued to a recipient after supply of a service, for any other services or goods across India valid for 1 year	01.11.17	01.11.17	14.12.17	30.10.18	**14.12.17**

TIME OF SUPPLY: SPECIAL CHARGES [SECTION 12(6) / 13(6)]



CHANGE IN RATE OF TAX IN RESPECT OF GOODS OR SERVICES [SECTION 14]

The following 3 events to be considered:

- Date of issue of invoice
- Date of receipt of payment
- Completion of supply

If any 2 events occur before the change in rate of tax, old rate shall apply. Else, new rate shall apply **[2 by 3 rule]**.

EXAMPLE FOR CHANGE IN RATE OF TAX

- **Rate of GST changed from 18% to 20%**

Date of issue of invoice	Date of receipt of payment	Completion of supply	GST Rate
Before change	After change	After change	**20%**
Before change	Before change	After change	**18%**
Before change	After change	Before change	**18%**
After change	Before change	After change	**20%**
After change	Before change	Before change	**18%**
After change	After change	Before change	**20%**

Thank You

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