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BY EMAIL



भारत सरकार

Government of India,

वित्त मंत्रालय, राजस्व विभाग

Ministry of Finance, Department of Revenue

वस्तु एवं सेवाकर एवं सीमा शुल्क, मुख्य आयुक्त का कार्यालय

Office of the Chief Commissioner, Goods and Services Tax & Customs

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Trade Notice No. 16/2017

Dated, Shillong the 25th October, 2017

Subject: Clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis- Reg.

The Central Board of Excise & Customs [CBEC] has issued a Circular No. 10/10/2017-GST dated 18th October, 2017 for the Trade and as well as all concerned regarding clarification on issues wherein the goods are moved within the State or from the State of registration to another State for supply on approval basis under Central Goods and Services Tax Act, 2017.

2. In view of various communications received particularly from the suppliers of jewellery etc. who are registered in one State but may have to visit other States (other than their State of registration) and need to carry the goods (such as jewellery) along for approval. In such cases if jewellery etc. is approved by the buyer, then the supplier issues a tax invoice only at the time of supply. Since the suppliers are not able to ascertain their actual supplies beforehand and while ascertainment of tax liability in advance is a mandatory requirement for registration as a casual taxable person, the supplier is not able to register as a casual taxable person. It has also been represented that such goods are also carried within the same State for the purposes of supply. Therefore, in exercise of the powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter as follows -

3. It is seen that clause (c) of sub-rule (1) of rule 55 of the Central Goods and Services Tax Rules, 2017 (hereafter referred as "the said Rules") provides that the supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply.

Further, sub-rule (3) of the said rule also provides that the said delivery challan shall be declared as specified in rule 138 of the said Rules. It is also seen that sub-rule (4) of rule 55 of the said Rules provides that "Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods".

4. A combined reading of the above provisions indicates that the goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.


5. It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract integrated tax in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

6. It is also clarified that this clarification would be applicable to all goods supplied under similar situations.

This Trade Notice is being issued so as to sensitize the trade and field formations about the contents of the aforesaid references and for complete details, the respective references may please be referred in the CBEC's website www.cbec.gov.in.

All Commissioners are requested to bring the contents of the Trade Notice to the notice of all the officers working under their charge and the assesseees falling under their respective jurisdiction.

The Trade & Industry Associations/Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members.


(W.L. Hangshing)
Chief Commissioner

C.No.IV(16)05/TECH/TN/SH/2014/9386-9430 Dated: 30 OCT 2017
Copy forwarded for information and necessary action to:

1. All Trade Association / Chamber of Commerce under Shillong GST.
2. All R.A.C. Members under Shillong GST.
3. The Assistant Commissioner, GST, Shillong Division-I/ II.
4. All Superintendent Hqrs. GST, Shillong.
5. The Superintendent (Systems), GST, Shillong for uploading in the Commissionerate's website.


(M. Synnah)
Assistant Commissioner (Tech)