

Transitional Provisions under GST Law

- **Migration of Existing taxpayers to GST-**

- i) Every person registered under any of the existing laws and having a valid PAN shall be issued a certificate of registration on provisional basis.
- ii) Final certificate of registration shall be issued after the applicant furnishes certain information in FORM REG-24, within a period of 3 months.
- iii) If the particular/information has not been furnished by the applicant or the same is found to be incorrect or incomplete, the proper officer shall cancel the provisional certificate and issue an order in FORM GST REG-26.
- iv) The provision certificate shall be cancelled after serving a show cause notice in FORM GST REG-27 and affording the person concerned a reasonable opportunity being heard.
- v) Every existing tax payer who is not liable to be registered under the GST Law can file electronically an application in FORM GST REG-28 for cancellation of registration granted provisionally to him.
- vi) The proper officer shall, after conducting enquiry, cancel the said provisional registration.
- vii) A person to whom provisional certificate is issued and who is eligible to pay tax under composition, may opt to do so by filing electronically an intimation, within 30 days of the appointed date.
- viii) A SEZ or a SEZ developer shall make a separate application for registration as a business vertical distinct from its other units located outside the SEZ.

- **Transitional arrangements for Input Tax Credit.**

- i) A registered person, other than the one opting composition scheme (section 10), shall be entitled to take, in his electronic credit ledger, Credit of the amount of VAT if any carried forward in the return proceeding the appointed day.
- ii) A registered person other than a person opting composition scheme, shall be entitled to take in his electronic ledger, credit of the un availed input tax credit in respect of capital goods, not carried forward in a return, furnished under existing Law by him, for the period preceding the appointed day.
- iii) The registered person shall not be allowed ITC unless the said credit was admissible as ITC under the existing law and is also admissible as ITC under SGST Law.
- iv) A registered, person who was not liable to be register under the existing law or who was engaged in the sale of exempted goods or tax free goods, shall be entitled to take in his electronic ledger, credit of VAT in respect of inputs held in stock and inputs contained in semi finished or finished goods held in stock on the appointing day subject to the following condition-
 - (a) Such inputs or goods are used or intended to be used for making taxable supplies under this Act;
 - (b) The said registered person is not paying tax under composition scheme (Section 10);
 - (c) The said registered person is eligible for input tax credit on such inputs under this Act;
 - (d) The said registered person is in possession of invoice or other prescribed documents evidencing payment of the under the existing law in respect of such inputs;
 - (e) Such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day;
- v) A registered person, who was engaged in the sale of taxable goods as well exempted goods or tax free goods, under the existing law but which are liable to tax under this Act, shall be entitled to take, in his electronic ledger-
 - a) The amount of credit of VAT, if any carried forward in a return furnished under the existing law;
 - b) The amount of credit of VAT, if any in respect of inputs held in stock and inputs contained in semi finished or finished goods held in stock, relating to such exempted goods or tax free goods;

- vi) A registered person shall be entitled to VAT in respect of inputs received on or after the appointed day but the tax in respect of which had been paid by the supplier under the existing law.
- vii) The above credit shall be subject to the condition that the invoice or any other tax paying documents of the same was reported in the books of account of such person within a period of 30 days from the appointed day or any period extended by the Commissioner.
- viii) Every registered person entitled to take credit of input tax shall, within ninety days or more as extended by the Commissioner of the appointed day, submit a declaration electronically in FORM GST TRAN-1, duly signed, on the Common Portal specifying therein, separately, the amount of input tax credit to which he is entitled.
- ix) The amount of credit specified in the application in FORM GST TRAN-1 shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal.
- x) A registered person, holding stock of goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State availing credit in accordance with the proviso to sub-section (3) of section 140 shall be allowed to avail input tax credit on goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax.
- xi) Such credit shall be allowed at the rate of sixty per cent. on such goods which attract State tax at the rate of nine per cent or more and forty per cent for other goods of the State tax applicable on supply of such goods after the appointed date and shall be credited after the State tax payable on such supply has been paid: Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent and twenty per cent respectively of the said tax.
- xii) The scheme shall be available for six tax periods from the appointed date.
- xiii) Such credit of State tax shall be availed subject to satisfying the following conditions, namely,-
 - (a) such goods were not wholly exempt from tax under Haryana the Value Added Tax Act 2003;
 - (b) the document for procurement of such goods is available with the registered person;
 - (c) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2) of rule 1, submits a statement in FORM GST TRAN 2 at the end of each of the six tax periods during which the scheme is in operation indicating therein the details of supplies of such goods effected during the tax period;
 - (d) The amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in FORM GST PMT-2 on the Common Portal;
 - (e) The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person;
- xiv) Every person having sent goods on approval under the existing law and to whom sub-section (12) of section 142 applies shall, within ninety days of the appointed day, submit details of such goods sent on approval in FORM GST TRAN-1.
- xv) Recovery of credit wrongly availed The amount credited under sub-rule (3) of rule 1 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.