No. CLE-HO/POL/GST/17-18

Nov. 13, 2017

Members of the Council

Dear Member

**Sub : GST Rate reductions – Detailed list of products released by Govt. & Certain Procedural Relaxations**

This is in continuation to our earlier communication of Nov. 10, 2017 informing about reduction in GST rate with effect from Nov. 15, 2017, as per decision taken in GST Council meeting held in Guwahati on Nov. 10, 2017.

Now, the Central Board of Excise and Customs has released detailed file **(copy enclosed)** containing list of all items for which GST rates have been reduced. These include the following items connected with leather industry.

**GST Rate reduction from 28% to 18% ( Leather Products/ Fur items)**

|  |  |
| --- | --- |
| 4201 | Saddlery and Harness items |
| 4202 | Travel Goods, Handbags, Wallets etc., |
| 4203 | Leather Garments, Belts, Gloves etc, |
| 4205 | Other leather goods |
| 4206 | Articles of gut (other than silk-worm gut), of goldbeater's skin, of bladders or of tendons |
| 4303 | Articles made of fur skin |
| 4304 | Articles of artificial fur |

**GST Rate reduction from 28% to 18% (Leather Chemicals)**

CLE had submitted representations, seeking GST reduction of leather chemicals from 28% to 18% and for those in 18% slab to 12%. GST rates for certain leather chemicals under 28% slab have been reduced to 18%, as detailed below.

|  |  |  |
| --- | --- | --- |
| **Leather Chemicals** | **Previous GST** | **Reduced GST** |
| 3402 - Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 3401 | *28%* | *18%* |
| 3403. Preparations of a kind used for the oil or grease treatment of, leather, furskins, but excluding preparations containing, as basic constituents, 70% or more by weight of petroleum oils or of oils obtained from bituminous minerals.  **This includes Fatliquors under 34039100** | *28%* | *18%* |
| 340130 – Organic surface-active products and preparations for washing the skin,**in the form of liquid or cream**and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent | 28% | 18% |
| 3405 - Polishes and creams, for footwear | 28% | 18% |
| 3926 – Articles of Plastics - other than 3926 40 11 – PVC Bangles, 3926 90 10 – PVC Belt Conveyer)  The above heading includes - 392690 - Lasts, with or without steel hinges ; EVA and grape sheets for soles and heels; welts and Rings, buckles, tacks, washers and other decorative fittings made of plastic used as trimmings and embellishments for leather products; patterns for leather foot wear, leather garments and leather goods. GST for these items will also be reduced from 28% to 18% | 28% | 18% |

**GST Rate reduction from 12% to 5%**

GST rate has been reduced for the following types of finished leather and composition leather from 12% to 5%.

|  |  |
| --- | --- |
| 4107 | Finished Leather of bovine |
| 4112 | Finished Leather of sheep and lamb |
| 4113 | Finished Leather of other animals, |
| 4114 | Chamois, Patent, Patent laminated and metallised leather |
| 4115 | Composition leather |

**Other decisions taken in 23rd GST Council meeting held on 10.11.2017**

**Return Filing**

* The return filing process is to be further simplified in the following manner:

1. All taxpayers would file return in FORM GSTR-3B along with payment of tax by 20th of the succeeding month till March, 2018.
2. For filing of details in FORM GSTR-1 till March 2018, taxpayers would be divided into two categories. Details of these two categories along with the last date of filing GSTR 1 are as follows:
3. Taxpayers with annual aggregate turnover upto Rs. 1.5 crore need to file GSTR-1 on quarterly basis as per following frequency:

|  |  |
| --- | --- |
| **Period** | **Dates** |
| Jul- Sep | 31st Dec 2017 |
| Oct- Dec | 15th Feb 2018 |
| Jan- Mar | 30th April 2018 |

(b)      Taxpayers with annual aggregate turnover more than Rs. 1.5 crore need to file GSTR-1 on monthly basis as per following frequency:

|  |  |
| --- | --- |
| **Period** | **Dates** |
| Jul- Oct | 31st Dec 2017 |
| Nov | 10th Jan 2018 |
| Dec | 10th Feb 2018 |
| Jan | 10th Mar 2018 |
| Feb | 10th Apr 2018 |
| Mar | 10th May 2018 |

                iii.            The time period for filing GSTR-2 and GSTR-3 for the months of July, 2017 to March 2018 would be worked out by a Committee of Officers. However, filing of GSTR-1 will continue for the entire period without requiring filing of GSTR-2 & GSTR-3 for the previous month / period.

* A large number of taxpayers were unable to file their return in FORM GSTR-3B within due date for the months of July, August and September, 2017.Late fee was waived in all such cases. It has been decided that where such late fee was paid, it will be re-credited to their Electronic Cash Ledger under “Tax” head instead of “Fee” head so as to enable them to use that amount for discharge of their future tax liabilities. The software changes for this would be made and thereafter this decision will be implemented
* For subsequent months, i.e. October 2017 onwards, the amount of late fee payable by a taxpayer whose tax liability for that month was ‘NIL’will be Rs. 20/- per day (Rs. 10/- per day each under CGST & SGST Acts) instead of Rs. 200/- per day (Rs. 100/- per day each under CGST & SGST Acts).

**Manual Filing**

* A facility for manual filing of application for advance ruling is being introduced for the time being.

**Extension of dates**

* Taking cognizance of the late availability or unavailability of some forms on the common portal, it has been decided that the due dates for furnishing the following forms shall be extended as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **FORM and Details** | **Original due date** | **Revised due date** |
| 1 | GST ITC-04 for the quarter July-September, 2017 | 25.10.2017 | 31.12.2017 |
| 2 | GSTR-4 for the quarter July-September, 2017 | 18.10.2017 | 24.12.2017 |
| 3 | GSTR-5 for July, 2017 | 20.08.2017 or 7 days from the last date of registration whichever is earlier | 11.12.2017 |
| 4 | GSTR-5A for July, 2017 | 20.08.2017 | 15.12.2017 |
| 5 | GSTR-6 for July, 2017 | 13.08.2017 | 31.12.2017 |
| 6 | TRAN-1 | 30.09.2017 | 31.12.2017 (One-time option of revision also to be given till this date) |

Revised due dates for subsequent tax periods will be announced in due course.

With kind regards

Mukhtarul Amin

Chairman

COUNCIL FOR LEATHER EXPORTS

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