

EXECUTIVE SUMMARY OF FINANCE BILL, 2021 - INDIRECT TAXES (IGST)

Clause(S) Of Finance Bill, 2021	Particulars Of Amendments	Section	Amendment / Newly Inserted	Applicable W.E.F.	Brief Of Amendment.
114	In the Integrated Goods and Services Tax Act, 2017, in section 16, (a) in sub-section (1), in clause (b), after the words “supply of goods or services or both”, the words “for authorised operations” shall be inserted;	16(1)	INSERTION	To be notified	It is proposed to include supply of goods or services or both for authorised operations only to SEZ will be treated as zero rated supply.
	(b) for sub-section (3), the following sub-sections shall be substituted, namely:—	16(3)	SUBSTITUTION	To be notified	
	“(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed: Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.				In case of non realisation of export of goods proceeds with in the prescribed time limit under FEMA,1999, the amount of refund already received has to be deposit alongwith the interest prprescribed u/s 50 of CGST Act,2017.

<p>(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify—</p> <p>(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;</p> <p>(ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.”.</p>	16(4)	INSERTION		<p>It is proposed to</p> <ul style="list-style-type: none">- Restrict the zero-rated supply on payment of integrated tax only to a notified class of taxpayers or notified supplies of goods or services; and-Link the foreign exchange remittance in case of export of goods with refund.
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