



## AMERICAN CHAMBER OF COMMERCE IN INDIA

PHD House, 4th Floor, 4/2, Siri Institutional Area, August Kranti Marg  
New Delhi - 110016, INDIA Tel : 91-11-2652 5201, Fax : 91-11-2652 5203  
Email : amcham@amchamindia.com Website : www.amchamindia.com

September 8<sup>th</sup>, 2017

**Ms. Vanaja N. Sarna**

Chairperson

Central Board of Excise & Customs

New Delhi

Dear Ms. Sarna,

### **Subject: Sixty Days of GST: Operational Challenges**

Greetings from the American Chamber of Commerce in India (AMCHAM India), the apex chamber of U.S. companies operating in India!

Congratulations on the successful implementation of the game changer GST, creating a uniform tax structure for the country from July 1<sup>st</sup>, 2017. AMCHAM members fully support this laudable initiative.

There have been some challenges faced by the companies in the implementation process such as:

#### **Classification for Tax Rate on:**

- Mapping of Correct HSN Code
- Branded Rice
- Purified Water
- Solar power sector
- Heading 2202
- Intraocular lens
- Permanent transfer of Intellectual Property Rights
- Printing industry
- Timing Chain
- Chains of iron or steel used in manufacture of a Two Wheeler

#### **Concessional Tax Rate on:**

- Properties for Senior Citizens
- Used Vehicles
- Maize Bran and Maize Gluten
- Air Compressors
- Medical Devices
- Taxation of free of cost services provided by foreign group companies to Indian group companies

#### **Reverse charge mechanism (RCM) on:**

- Sponsorship services supplied on B2B basis
- supplies made to SEZ units/ developers
- Inputs used for making exempt supplies

#### **Imports**

- Double taxation on ocean freight paid by importers

#### **Exports/SEZ**

- No EPCG benefit on GST
- Compensation Cess on motor vehicles being exported
- Working capital blockage for exporters
- LUT submission
- Filing of Bond/ LUT by DTA unit for supplies from DTA to SEZ
- Place of supply for intermediary services

**Input Tax Credit (ITC) on:**

- Immovable property
- Working Capital Impact as eligibility to claim ITC depends upon Vendor's compliance
- Capital Asset
- Short period to correct mismatch
- High seas sales
- Treatment of merchant trade transactions under GST
- Physical invoice requirement
- Free samples and free trials

**Transitional Provisions**

- MRP Stickers
- State VAT incentive schemes
- Area based tax incentive schemes under Excise
- C Form pendency
- Form TRAN-1
- Form TRAN-2
- RCM Liability on Invoices up-to June 30, 2017
- Adjustment of Service Tax
- Anti-Profiteering Clause

**Credit Note**

- Linkage with original invoice

**Registration**

- Migration issue
- Requirement for Mutual Fund distributors
- Amendment in Registration Certificate
- Persons dealing exclusively in exempt supplies

**Invoice**

- Barter Activities
- Warranty activities
- Purchases made from unregistered dealers

**Sector Specific Issues**

- Oil & Gas Sector
- Online Information Database and Retrieval services ('OIDAR')

**Miscellaneous Issues**

- Confusion regarding Communication on Twitter
- E-way Bill
- Composite supply
- Definition of "Agricultural Produce" to include cotton
- Advances Received – Adjustments of tax paid
- Access to GST Portal
- Place of Supply – Bill-to-ship-to cases

Detailed note is attached.

We look forward to an interaction with you along with our member companies to discuss these problems and await a convenient to you for the meeting.

With best regards,



**Ranjana Khanna**

Director General CEO

Cell: +91 81307 16604; +91 88263 36604

E-mail: [ranjana.khanna@amchamindia.com](mailto:ranjana.khanna@amchamindia.com)

Copy to Mr. Alok Shukla, Joint Secretary (TRU-I), Centra; Board of Excise & Customs, New Delhi