

Time of Supply

Q 1. What is time of supply?

Ans. The time of supply fixes the point when the liability to charge GST arises. It also indicates when a supply is deemed to have been made. The CGST/SGST Act provides separate time of supply for goods and services.

Q 2. When does the liability to pay GST arise in respect of supply of goods and Services?

Ans. Section 12 & 13 of the CGST/SGST Act provides for time of supply of goods. The time of supply of goods shall be the earlier of the following namely,

(i) the date of issue of invoice by the supplier or the last date on which he is required under Section 31, to issue the invoice with respect to the supply; or

(ii) the date on which the supplier receives the payment with respect to the supply.

Q 3. What is time of supply in case of supply of vouchers in respect of goods and services?

Ans. The time of supply of voucher in respect of goods and services shall be;

a) the date of issue of voucher, if the supply is identifiable at that point; or

b) the date of redemption of voucher in all other cases.

Q 4. Where it is not possible to determine the time of supply in terms of sub-section 2, 3, 4 of Section 12 or that of Section 13 of CGST/SGST Act, how will time of supply be determined?

Ans. There is a residual entry in Section 12(5) as well as 13 (5) which says that if periodical return has to be filed, then the due date of filing of such periodical return shall be the time of supply. In other cases, it will be the date on which the CGST/SGST/IGST is actually paid.

Q 5. What does "date of receipt of payment" mean?

Ans. It is the earliest of the date on which the payment is entered in the books of accounts of the supplier or the date on which the payment is credited to his bank account.

Q 6. Suppose, part advance payment is made or invoice issued is for part payment, whether the time of supply will cover the full supply?

Ans. No. The supply shall be deemed to have been made to the extent it is covered by the invoice or the part payment.

Q 7. What is the time of supply of goods in case of tax payable under reverse charge?

Ans. The time of supply will be the earliest of the following dates:

a) date of receipt of goods; or

b) date on which payment is made; or

c) the date immediately following 30 days from the date of issue of invoice by the supplier.

Q 8. What is the time of supply of service in case of tax payable under reverse charge?

Ans. The time of supply will be the earlier of the following dates:

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a) date on which payment is made; or

b) the date immediately following sixty days from the date of issue of invoice by the supplier.

Q 9. What is the time of supply applicable with regard to addition in the value by way of interest, late fee or penalty or any delayed payment of consideration?

Ans. The time of supply with regard to an addition in value on account of interest, late fee or penalty or delayed consideration shall be the date on which the supplier received such additional consideration.

Q 10. Is there any change in time of supply, where supply is completed prior to or after change in rate of tax?

Ans. Yes. In such cases provisions of Section 14 will apply.

Q 11. What is the time of supply, where supply is completed prior to change in rate of tax?

Ans. In such cases time of supply will be

(i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or

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(ii) where the invoice has been issued prior to change in rate of tax but the payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or

(iii) where the payment is received before the change in rate of tax, but the invoice for the same has been issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

Q 12. What is the time of supply, where supply is completed after to change in rate of tax?

Ans. In such cases time of supply will be

(i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or

(ii) where the invoice has been issued and the payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or

(iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice

Q 13. Let's say there was increase in tax rate from 18% to 20% w.e.f. 1.6.2017. What is the tax rate applicable when services provided and invoice issued before change in rate in April 2017, but payment received after change in rate in June 2017?

Ans. The old rate of 18% shall be applicable as services are provided prior to 1.6.2017.

Q 14. Let's say there was increase in tax rate from 18% to 20% w.e.f. 1.6.2017. What is the tax rate



applicable when goods are supplied and invoice issued after change in rate in June 2017, but full advance payment was already received in April 2017?

Ans. The new rate of 20% shall be applicable as goods are supplied and invoice issued after 1.6.2017

Q 15. What is the time period within which invoice has to be issued for supply of Goods?

Ans. As per Section 31 of CGST/SGST Act a registered taxable person shall issue a tax invoice showing description, quantity and value of goods, tax charged thereon and other prescribed particulars, before or at the time of

(a)removal of goods for supply to the recipient, where supply involves movement of goods or

(b)delivery of goods or making available thereof to the recipient in other cases.

Q 16. What is the time period within which invoice has to be issued for supply of Services?

Ans. As per Section 31 of CGST/SGST Act a registered taxable person shall, before or after the provision of service, but within a period prescribed in this behalf, issue a tax invoice showing description, value of goods, tax payable thereon and other prescribed particulars.

Q 17. What is the time period within which invoice has to be issued in a case involving continuous supply of goods?

Ans. In case of continuous supply of goods, where

successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.

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Q 18. What is the time period within which invoice has to be issued in a case involving continuous supply of services?

Ans. In case of continuous supply of services,

(a) where the due date of payment is ascertainable from the contract, the invoice shall be issued before or after the payment is liable to be made by the recipient but within a period prescribed in this behalf whether or not any payment has been received by the supplier of the service;

(b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or after each such time when the supplier of service receives the payment but within a period prescribed in this behalf;

(c) where the payment is linked to the completion of an event, the invoice shall be issued before or after the time of completion of that event but within a period prescribed in this behalf.

Q 19. What is the time period within which invoice has to be issued where the goods being sent or taken on approval for sale?

Ans. The invoice in respect of goods sent or taken on approval for sale or return shall be issued before or at the time of supply or six months from the date of approval, whichever is earlier.

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