

CHAPTER 6 : TIME OF SUPPLY.

Time of supply (TOS) → Primarily based on Invoice

[Payment liability of Taxpayer to Govt = Time]

Invoice for Supply of Goods

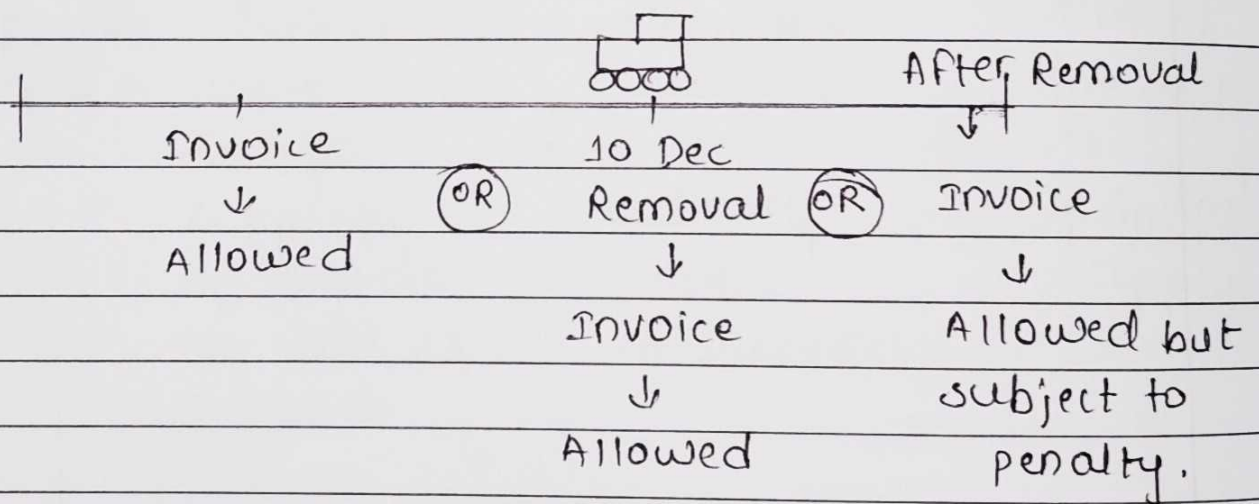
Invoice shall be issued on or before

1) If movement involved in goods

→ Removal of goods for supply

2) In other cases [i.e. no movement is involved]

→ Delivery of goods or making available.



As per section 31,

Last date of Issue

of Invoice for SOG

→

Removal or Delivery
of Goods.

Section 12 & 13 : Time of supply.

Bhumi

Situations

1. Normal charge
or
Forward charge

Sec. 12 : TOS of SOG
Sec. 12(2) : TOS → w.E is Earlier
1) Date of issue of Invoice
or
2) Last date of issue of Invoice
[i.e. date of removal of goods
or made available]

N/N 66/2017 : In case of SOG, No
Tos on date of receipt of goods
[e.g. advance] except specified
actionable claims.

2. Reverse charge

Sec. 12(3) : TOS → w.E is Earlier
1) Date of Receipt of goods
2) Date of Payment - Book Entry
3) Date of Debit to Bank
4) 31st day from Supplier's invoice
or equivalent document

Proviso : If above provision fails
TOS = Date when goods entered
to the recipient books of Ac.

Sec. 13 : TOS of SOS
Sec. 13(2) : TOS → w.E is Earlier

1) Invoice within Time
→ Date of Invoice
OR
Date of Receipt } Earlier

2) Invoice not within Time
→ Date of completion } Earlier
OR
Date of Receipt

3) IF TOS can't be determined in
(1) & (2) :
Date on which Recipient shows
receipt of service in his BOA.

Notes: 1) Date of Payment received
→ Book Entry or credited to Bank
[w.E is Earlier]

2) Invoice within Time for SOS
→ IF it is issued within 30/45
days from SOS.

Sec. 13(3) : TOS → w.E is Earlier

(a) Date of Payment
- Book Entry or
- Debited to Bank

(b) 61st day from supplier's invoice

- Book Entry or
- Debited to Bank
(b) 61st day from supplier's invoice
if supplier is required to issue
invoice or

(c) Date of issue of self Invoice
by recipient, if recipient is required
to issue Invoice

→ same Proviso

Excess payment
upto ₹1000 than
indicated in
Invoice

Proviso: TOS = at the option of supplier = Date of issue of
next invoice (when excess amt. is adjusted)

Note: Not relevant for SOG except Specified Actionable claims.

Residual case

Sec. 12(5)/13(5): If TOS cannot be determined in any of above
sections, then

(a) In case of periodical return is to be filed -
Date on which such return is filed

(b) In other cases - Date of payment of GST

Interest / Late fee
for Delayed
Payment of
consideration

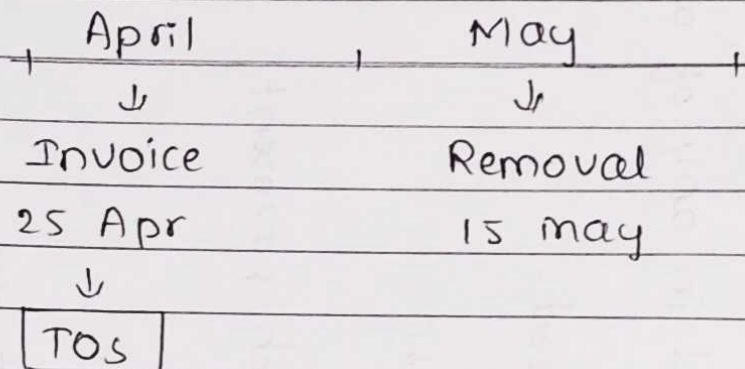
Sec. 12(6) / 13(6)

TOS = Date on which supplier's receives such payment

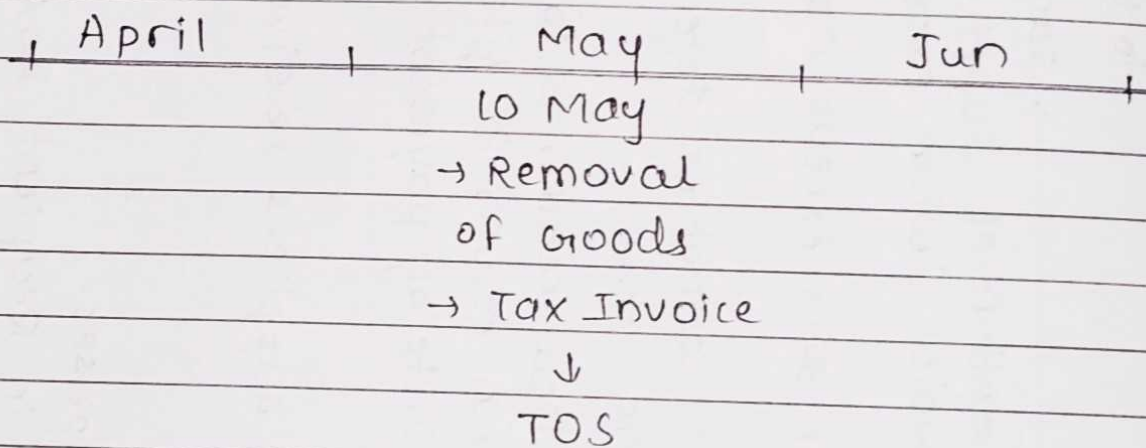
NOTE: Associated Enterprises.

TOS = Date of Entry in Recipient BoA } Earlier
OR
Date of Payment }

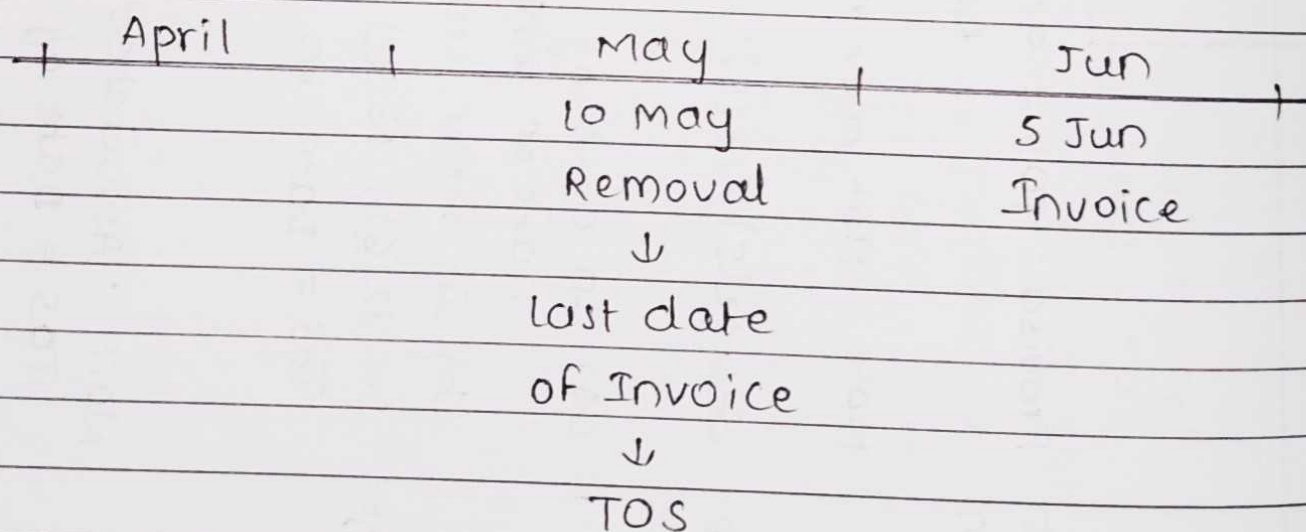
CASE 1.



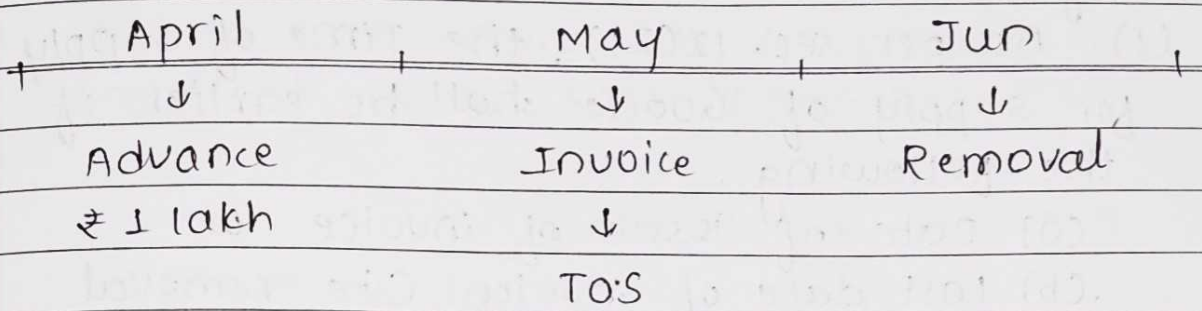
CASE 2.



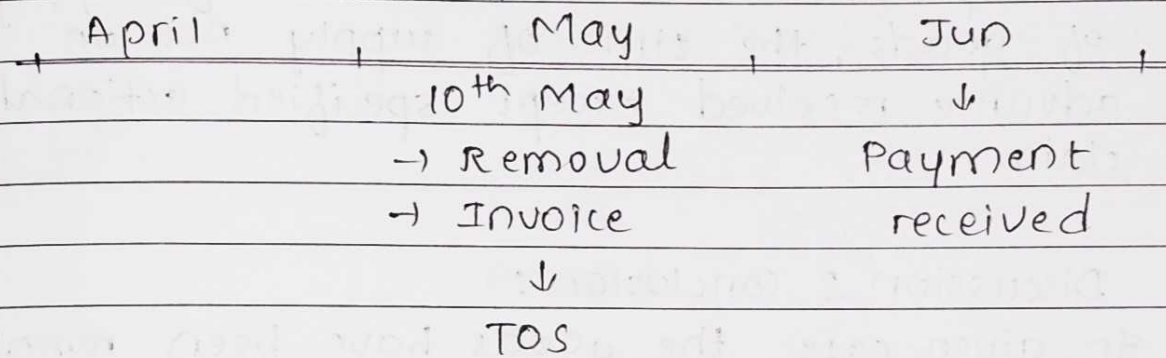
CASE 3.



CASE 4 → SOG



CASE 5



N/N 66/2017

In case of SOG (only) - No tax is payable on receipt basis.

Except, specified Actionable claims.

↓

Lottery casino	, Betting Horse Racing	, Gambling Online money gaming.
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TOS for Specified Actionable claims :

- Date of issue of Invoice or
 - last date of issue of Invoice or
 - Date of Receipt of Payment
- w.E is Earlier

- Q.2
6.2
- Legal Provisions :
- (1) As per sec. 12(2), the Time of supply for supply of Goods shall be earlier of the following :
- (a) Date of issue of invoice or
 - (b) Last date of invoice (i.e. removal of goods)
- (2) As per N/N 66/2017, in case of supply of goods, the time of supply not on advance received except specified actionable claim.

Discussion & conclusion :

In given case, the goods have been removed on 3rd October and invoice was issued on 5th October.

TAS is on 3rd October.

Section 12(3)

TOS in case where tax is payable by recipient under RCM [306]

Vsmart [Recipient]

Issue of Invoice by supplier ←

Agriculture

Payment = Book Entry or
Debit to Bank [w.E. earlier]

506

Goods
Received

Payment

31st
Day

w.E. is Earlier

In case of Reverse charge of goods, TOS is earlier of following:

- 1) Date of receipt of goods OR
- 2) Date of Payment

→ Book Entry

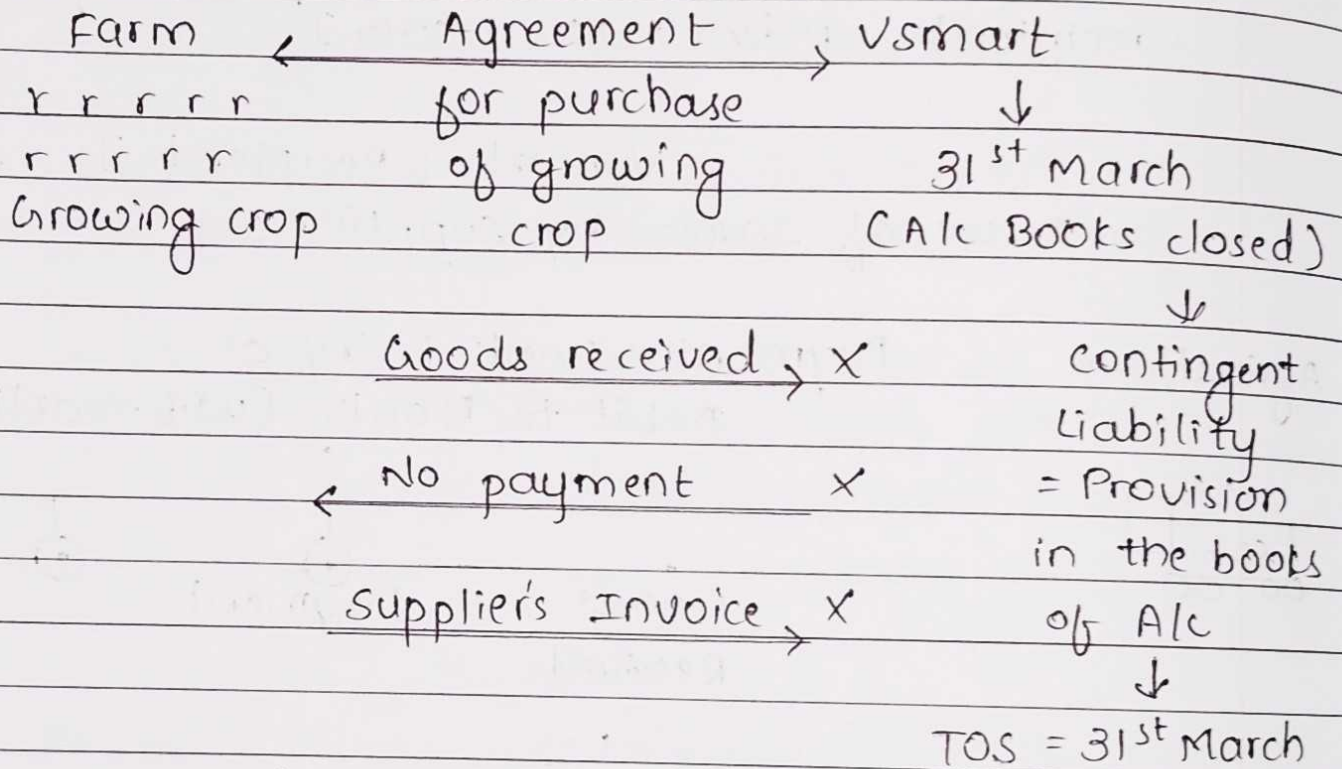
→ Debit to Bank

- 3) 31st day from supplier's invoice or any document.

If TOS cannot be determined as per above clauses under RCM then

TOS = Date when goods are entered into Recipient books of account

Example :

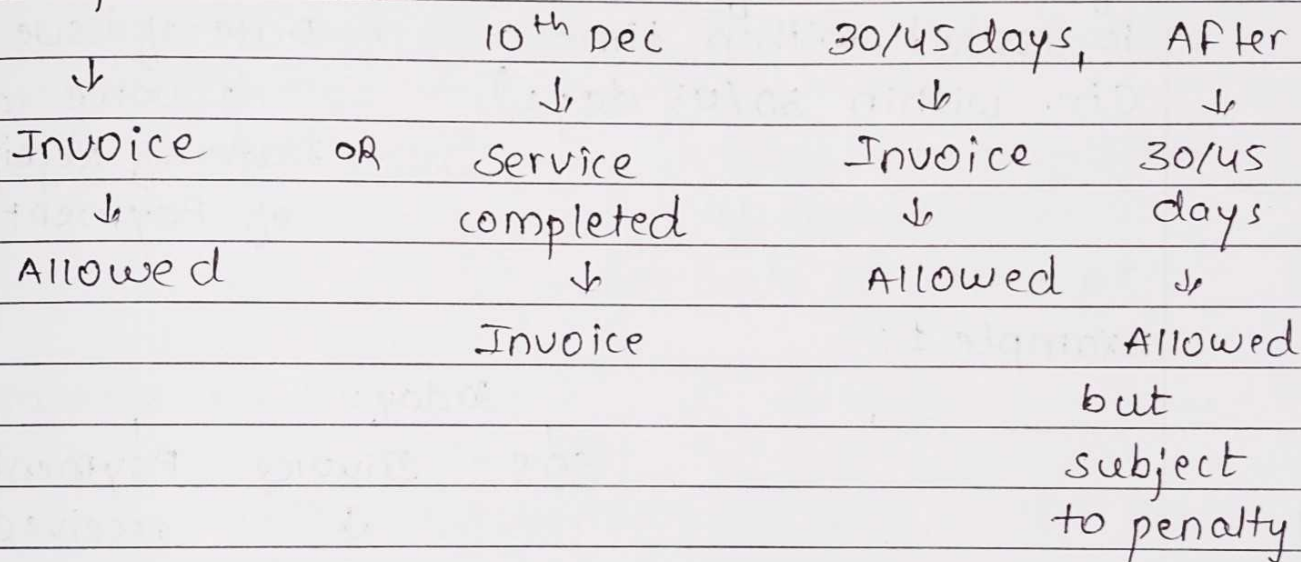


Invoice for supply of services [Sec. 31]

Invoice for SOS shall be issued a tax invoice within 30 days from the date of SOS. In case of Banking, FI, Insurance, it shall be issued within 45 days of SOS.

SOS = Completion of services = Provision of service.

Example :



When to say Invoice is within Time?

→ when it is issued before or within 30/45 days of SOS.

Invoice not within Time?

→ when it is issued after 30/45 days

Section 13 : TOS of services.

Sec. 13(1) : Determination of TOS.

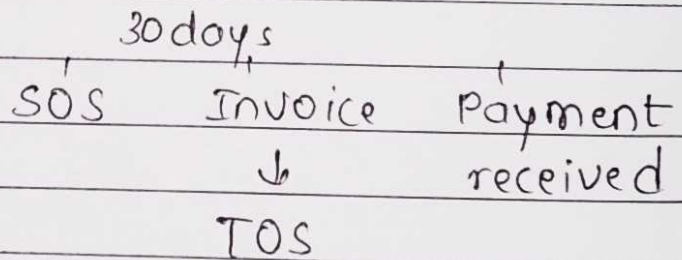
Sec. 13(2) : Determination of TOS under forward charge.

Situations

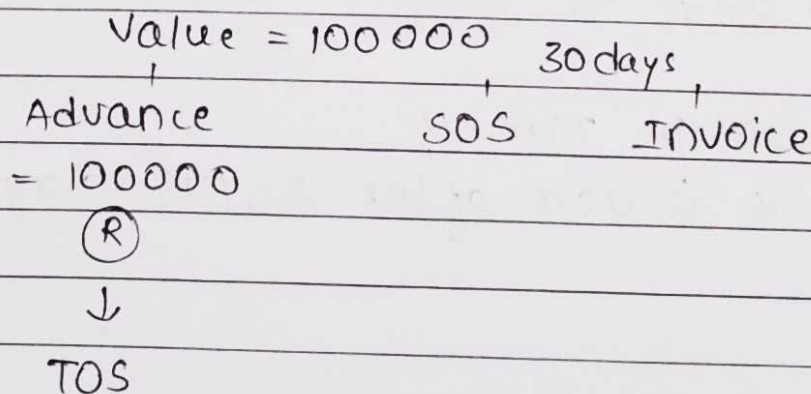
TOS

- If the invoice for SOS is issued within time (i.e. within 30/45 days)
 - Shall be earlier of
 - Date of issue of Invoice or
 - Date of Receipt of Payment

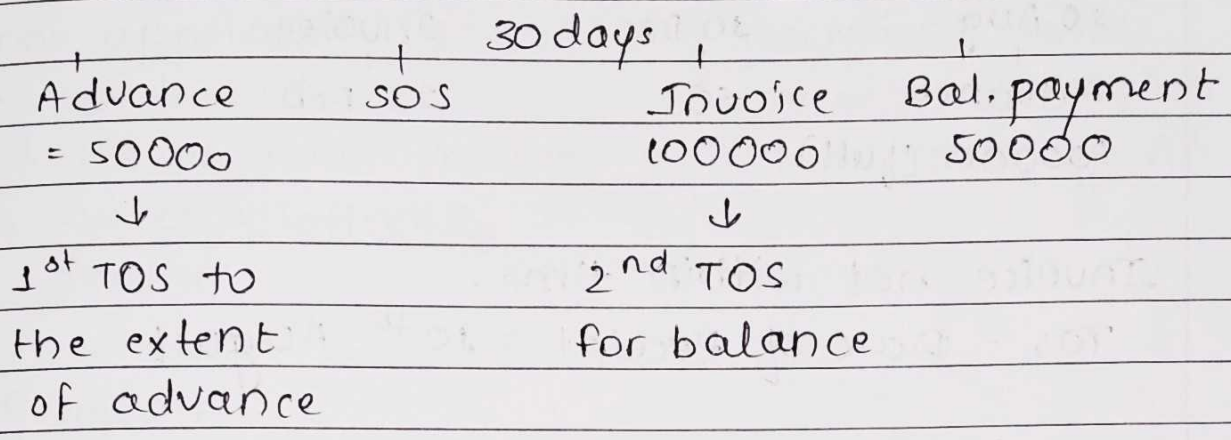
Example 1 :



Example 2 :

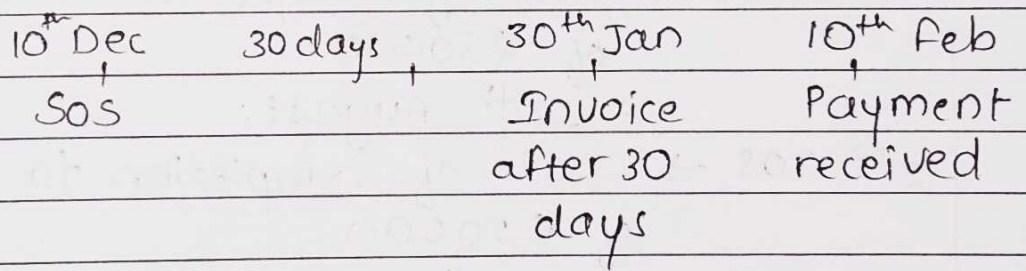


Example 3 :
value = 100000



- 2' If invoice is not issued within time (after 30/45 days) TOS shall be earlier of :
- Date of completion of service or
 - Date of Receipt

Example 1 :



→ Invoice is not within time
TOS = 10th December

Example 2 :

10 Aug	30 Dec	Invoice
Advance	SOS	25 Feb
100000 (full)		

Invoice not within time.

TOS = Date of Receipt = 10th August.

Example 3 :

value = 100000

10 Aug	10 Dec	25 Feb	28 Feb
Advance	SOS	Invoice	Bal. 50000
50000			received

Invoice not within Time.

1st TOS → Date of receipt to the extent of ₹50000.

= 10th August.

2nd TOS → Date of completion to the extent of ₹50000

= 10th December

3. In a case where provision of clause (1) or (2) is not applicable i.e.
- no invoice
 - no payment received
 - & → no completion of service
- TOS shall be date on which the recipient shows receipt of services in his books of A/c

Example :

Supplier	Batch	Ending	Recipient
Jai sir	Started	Date	Vsmart
	= 15 th Feb	= 30 June	↓
TOS arise			25 th mar
↓			↓
25 th March			Service received
Jai sir is liable			in books
to pay tax			

Q.12. Legal Provisions :
If TOS cannot be determined for supply of services of supplier because
→ Date of Invoice or
→ Date of Receipt or
→ Date of completion
is not available in the supplier's records.

But recipient shows receipt of service in his books of accounts then TOS of supplier is the date on which recipient shows receipt of service in his books of accounts.

Discussion & conclusion :

In given case records of supplier ABC & Co. are not clear. Also, date of invoice or payment not entered in his books of accounts.

Hence, TOS as per above provision is 4th April.

Excess payment than indicated in Invoice upto ₹1000

Example :

Airtel	Invoice = 1457	VB
	GST @18% 262	
excess	Total 1719	
281		

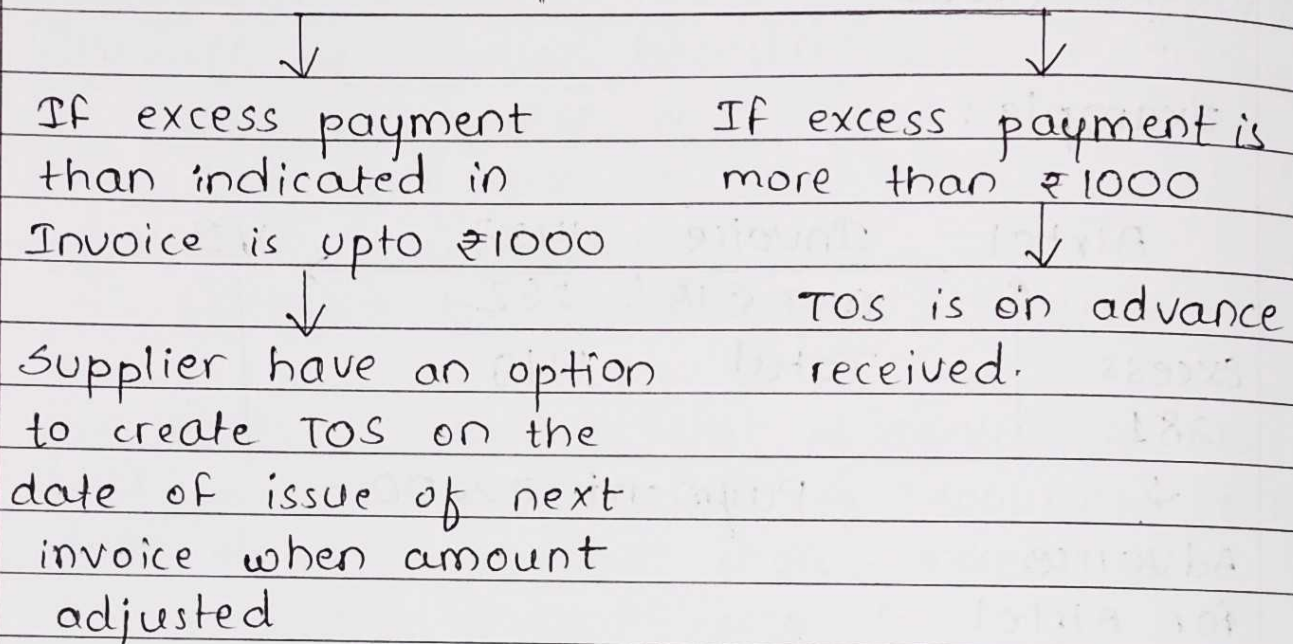
↓

Payment ₹2000

Advance
for Airtel

↳ At the option of Supplier, TOS of such excess amount shall be on the date of issue of next invoice when it is adjusted.

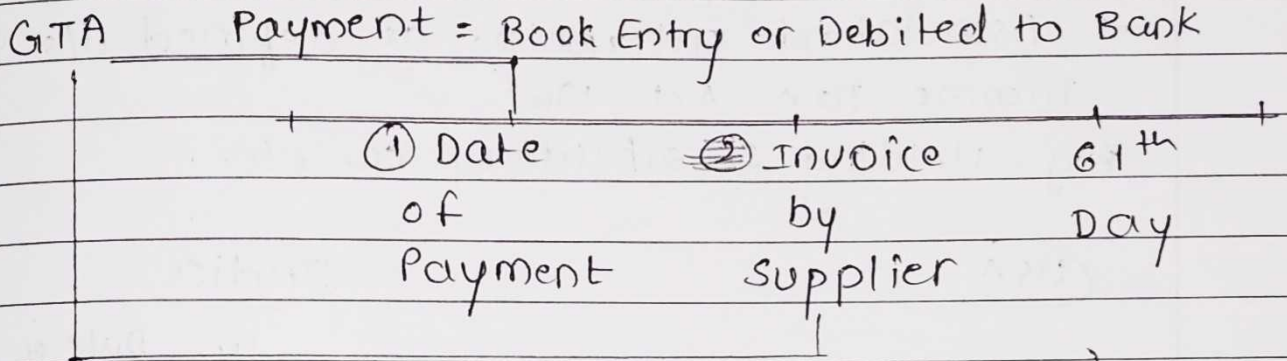
Excess Payment



NOTE: The above proviso is not relevant in case of 306 (because TOS is only on Invoice or last date) except specified actionable claims.

TOS in case of RCM of SOS. [sec.13(3)].

Notified Person



If invoice is required to be issued by supplier [i.e. under RCM Supplier registered]

TOS = 61th day from supplier's Invoice

If invoice is to be issued by the recipient [i.e. supplier URP & recipient RP]

TOS = Date of issue of self Invoice by Recipient.

Proviso to section 13(3) Associated Enterprises

Associated Enterprises

→ Associated Enterprises as defined u/s 92 of
Income Tax Act, 1962.

e.g. Holding & subsidiary co. etc.

USA

India

PQR Ltd.
(Non associated
Enterprise)

Import of
service

TOS: Date of Payment
or date of issue of
Self Invoice [Earlier]

XYZ Ltd.

ABC Ltd.
(Associated
Enterprise)

Import of
service

Associated
Enterprise

under RCM,

TOS = Date of
Entry of Service
in recipient's books
of A/c OR
Date of Payment
[Earlier]