

Chapter - TIME OF SUPPLY

Time of Supply of Goods
Section 12 of CGST Act, 2017

Time of Supply of Goods – Section 12

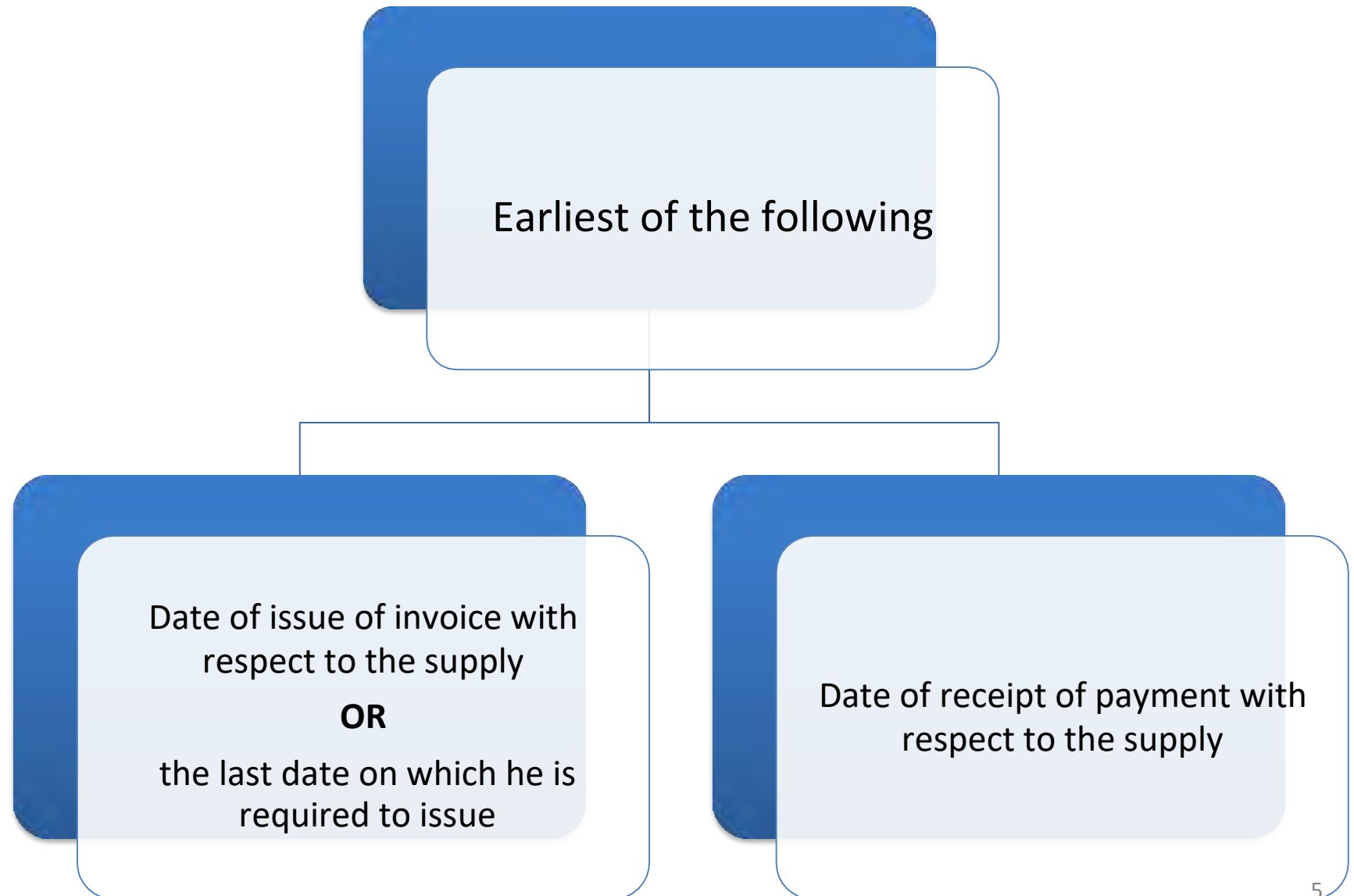
- 1) The Liability to pay tax on goods arises at the time of supply, as determined in accordance with the provisions of this section.
- 2) The time of supply of goods shall be the earliest of the following dates, namely :-
 - a) the date of issue of invoice by the supplier or the last date on which he is required, under sub-section (1) of section 31, to issue the invoice with respect to the supply; or
 - b) the date on which the supplier receives the payment with respect to the supply:

Provided that where the supplier of taxable goods receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount.

Explanation 1. – For the purposes of clause (a) and (b), “supply” shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Explanation 2.—For the purposes of clause (b), “the date on which the supplier receives the payment” shall be the date on which the payment is entered in his books of account or the date on which the payment is credited to his bank account, whichever is earlier.

Time of Supply of Goods – Rule (2)

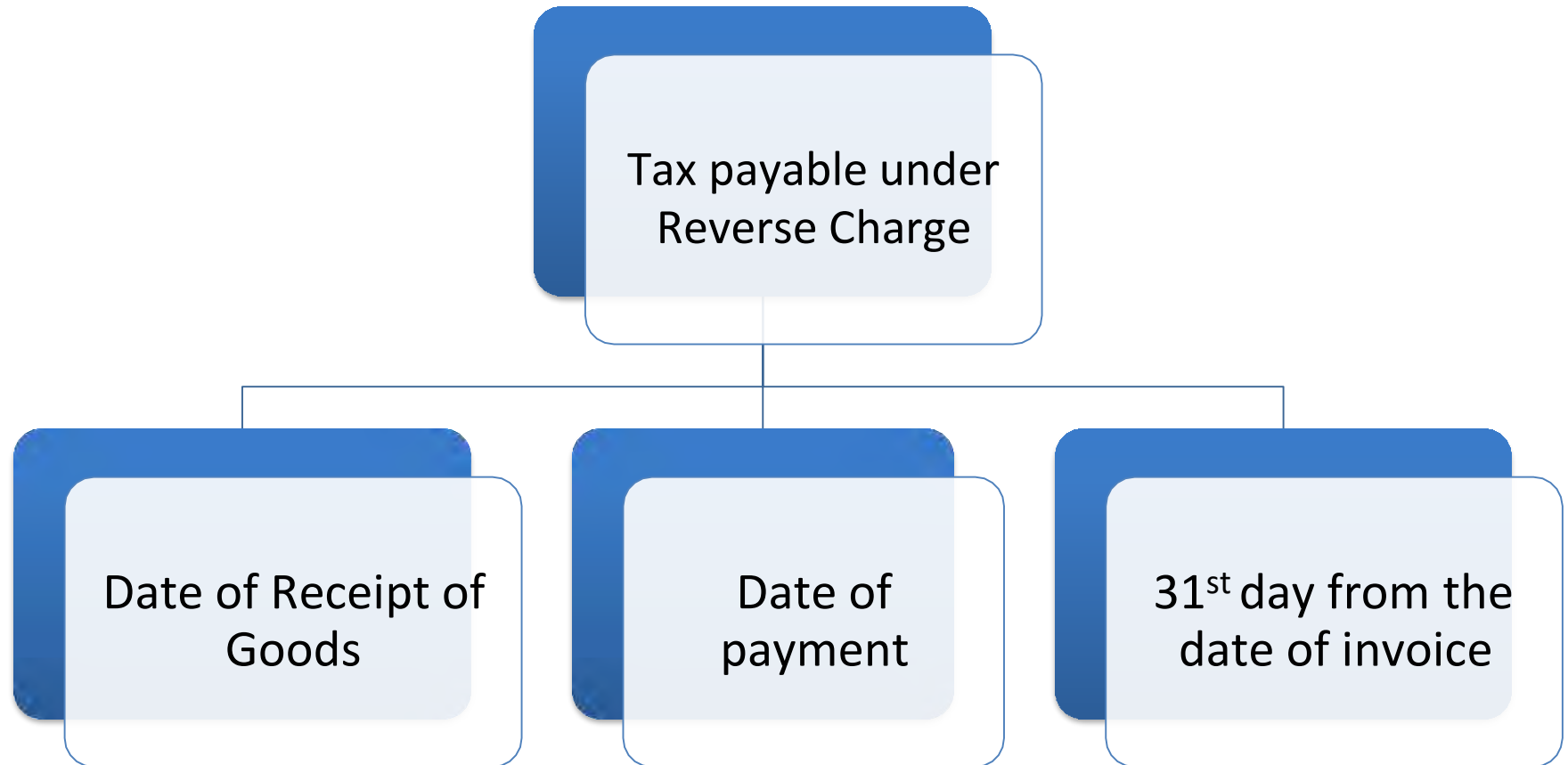


*Time of Supply of Goods –
Reverse Charge basis*

- 3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely:-
- a) the date of receipt of goods; or
 - b) the date of payment as entered in the books of account of the recipient or the date of payment is debited in his bank account, whichever is earlier; or
 - c) the date immediately following thirty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier;

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) or clause (c), the time of supply shall be the date of entry in the books of account of the recipient of supply.

Time of Supply of Goods – Reverse Charge



**If not possible under any of the above option,
the date of entry in the books of account of the recipient**

*Time of Supply of Goods – Supply
of Vouchers*

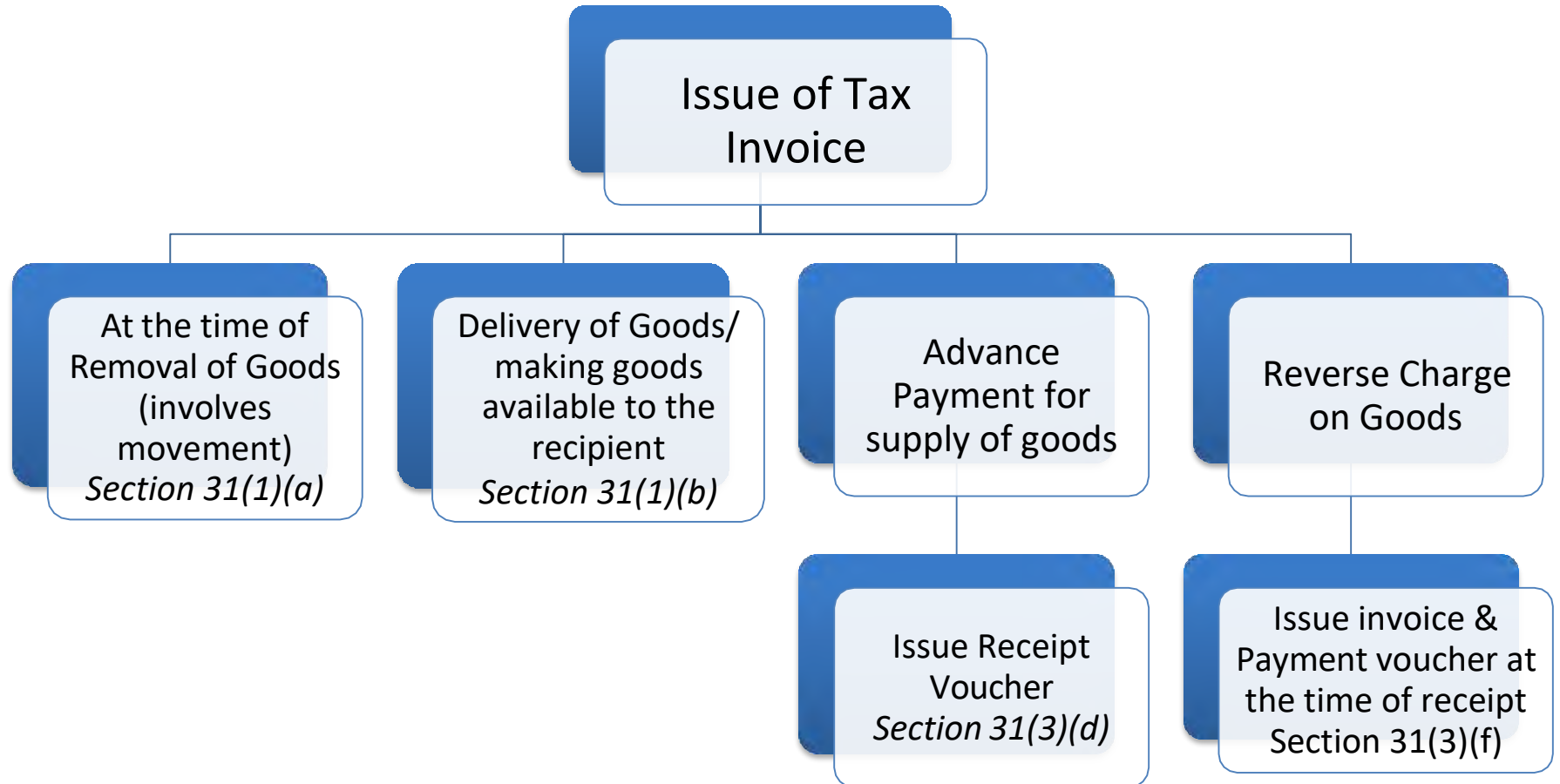
- 4) In case of supply of vouchers by a supplier, the time of supply shall be-
 - a) or the date of issue of voucher, if the supply is identifiable at that point; or
 - b) the date of redemption of voucher, in all other cases.

Time of Supply of Goods – Not possible to determine the supply & Misc.

- 5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—
 - a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
 - b) in any other case, be the date on which the tax is paid.
- 6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

Time for issue of Invoice
Section 31 of CGST Act, 2017

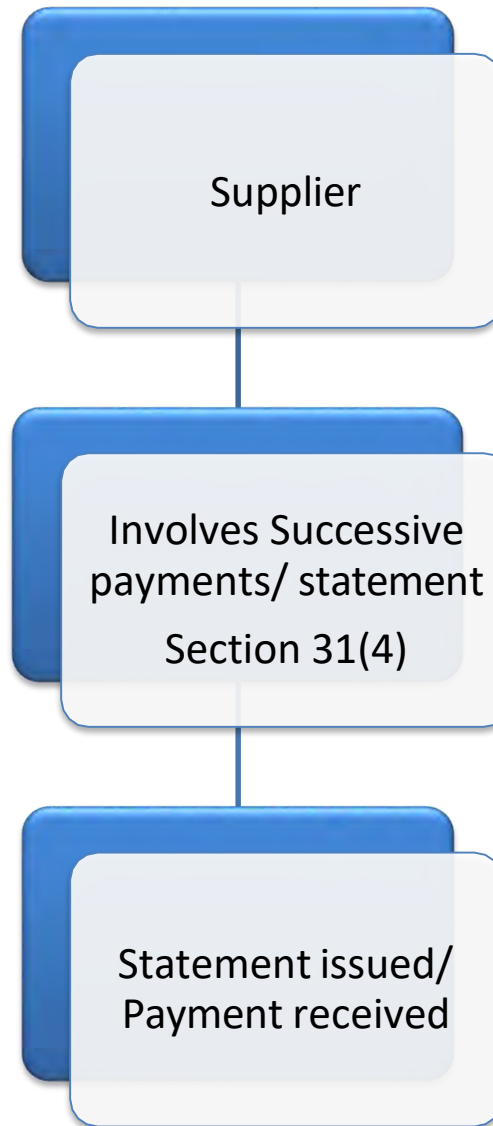
Time for issue of Invoice



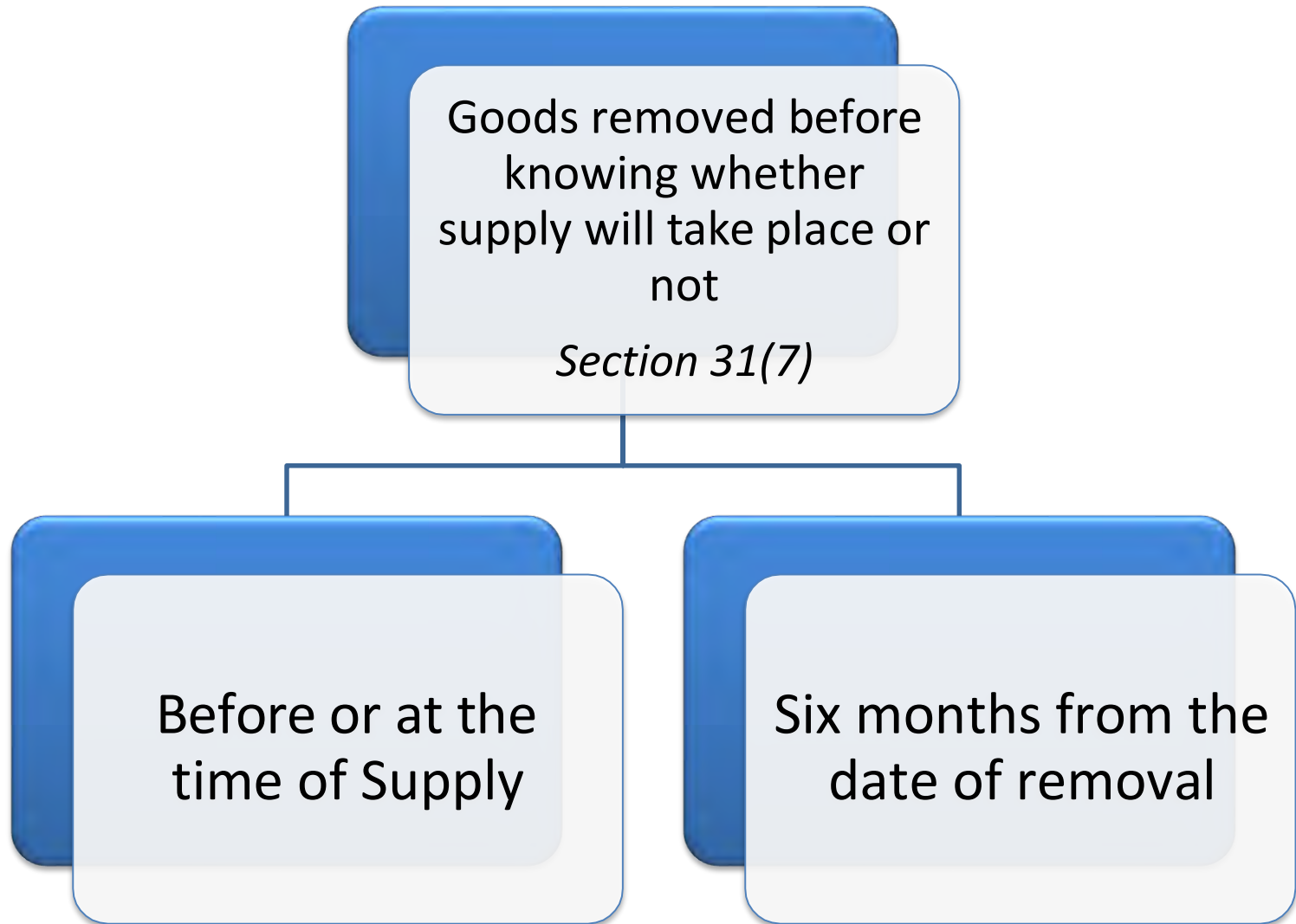
“continuous supply of goods” means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify; [Section 2(32) of CGST Act]

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. [Section 31(4) of CGST Act]

Time for issue of Invoice – Continuous supply of Goods



Time for issue of Invoice – Goods sent on Approval

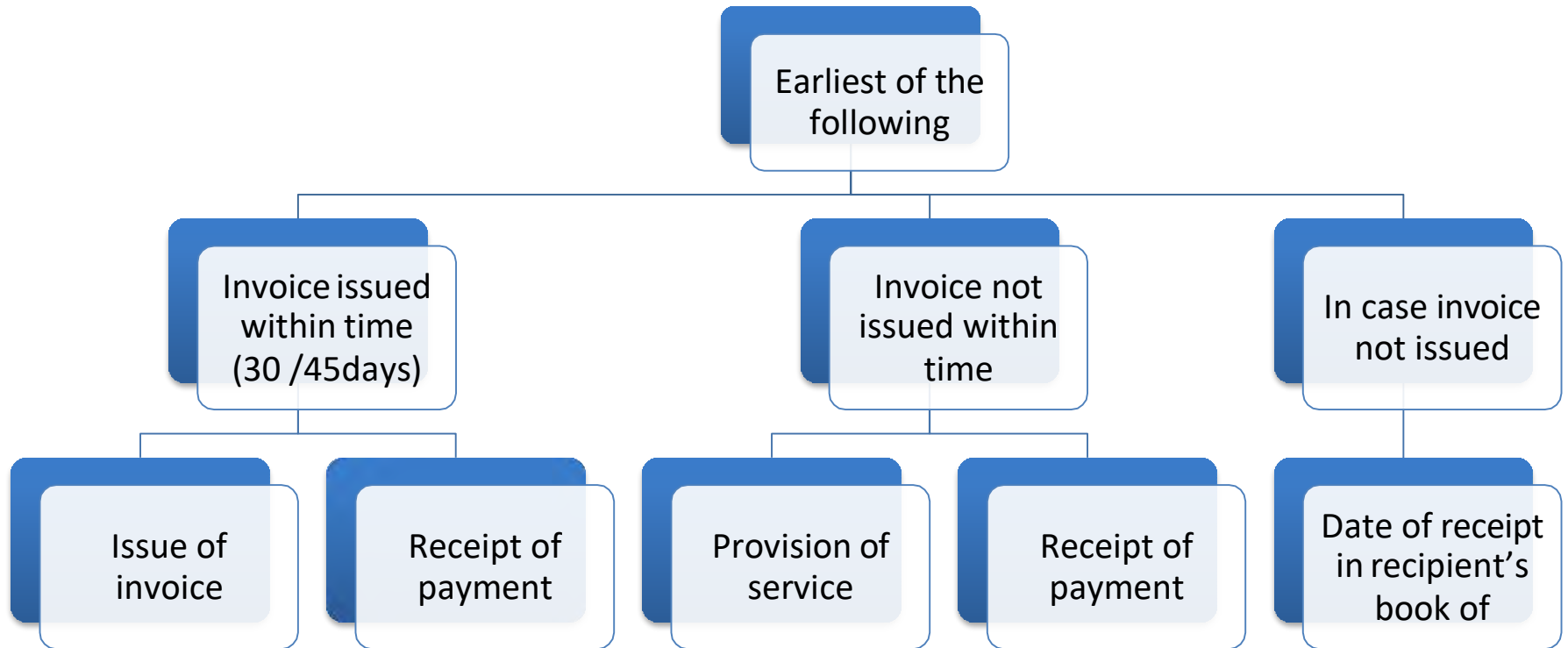


Time of Supply of Services
Section 13 of CGST Act, 2017

Time of Supply of Services

- 1) The Liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
- 2) The time of supply of services shall be the earliest of the following dates, namely :-
 - a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) of clause (b) do not apply:

Time of Supply of Services



Time of Supply of Services

Provided that Provided that where the supplier of taxable service receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice relating to such excess amount.

Explanation.—For the purposes of clauses (a) and (b)—

- (i) the supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment;
- (ii) “the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

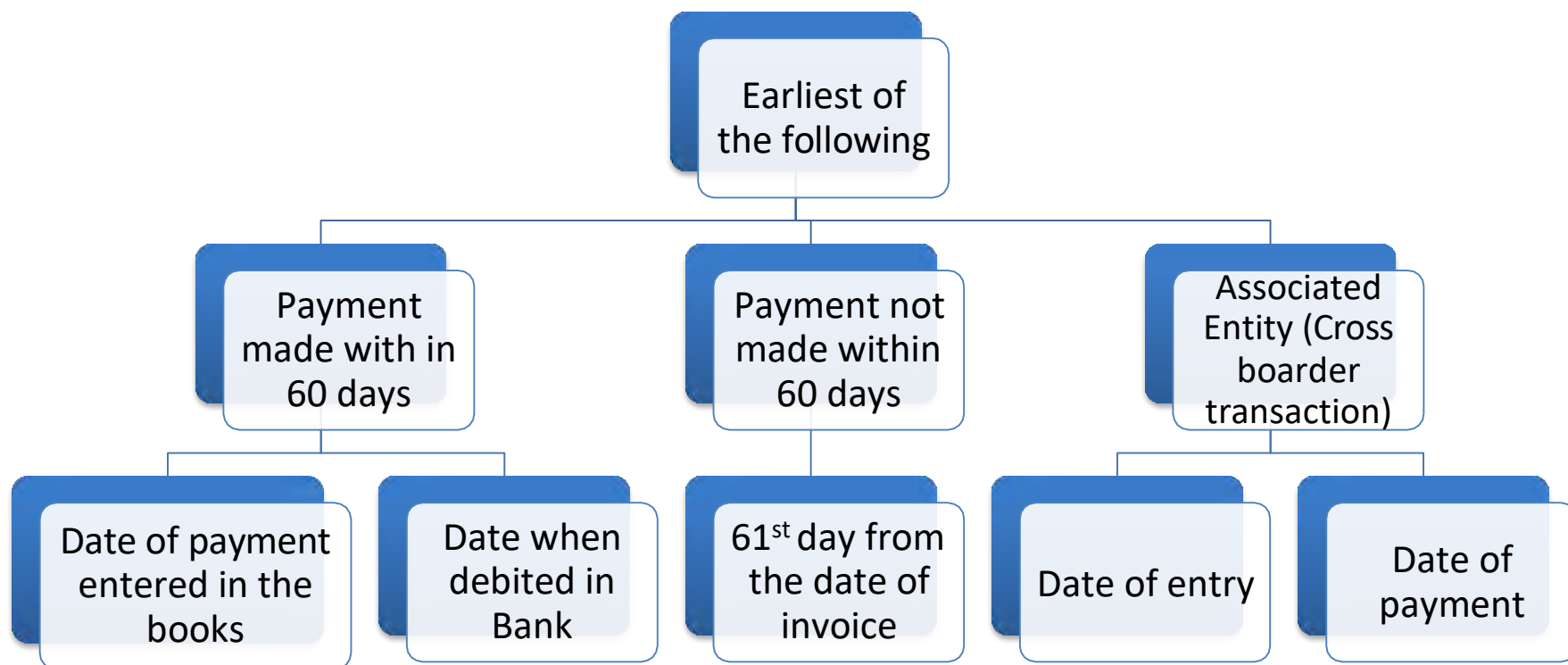
Time of Supply of Services – Tax payable under Reverse Charge

- 3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:—
- a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
 - b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply:

Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.

Time of Supply of Services – Reverse Charge



If not possible under any of the above option (other than associated entity), the date of entry in the books of account of the recipient

*Time of Supply of Services –
Supply of Vouchers*

- 4) In case of supply of vouchers by a supplier, the time of supply 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.

Time of Supply of Services – Not possible to determine the supply & Misc.

- 5) Where it is not possible to determine the time of supply under the provisions of sub-section (2) or sub-section (3) or sub-section (4), the time of supply shall—
 - a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or
 - b) in any other case, be the date on which the tax is paid.
- 6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.

Time for issue of Invoice for Services

Section 31 (2) of CGST Act, 2017

Time Limit for issuing tax invoice - Supply of Services [Section 31(2)]

- 2) A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—

- a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
- b) tax invoice may not be issued.

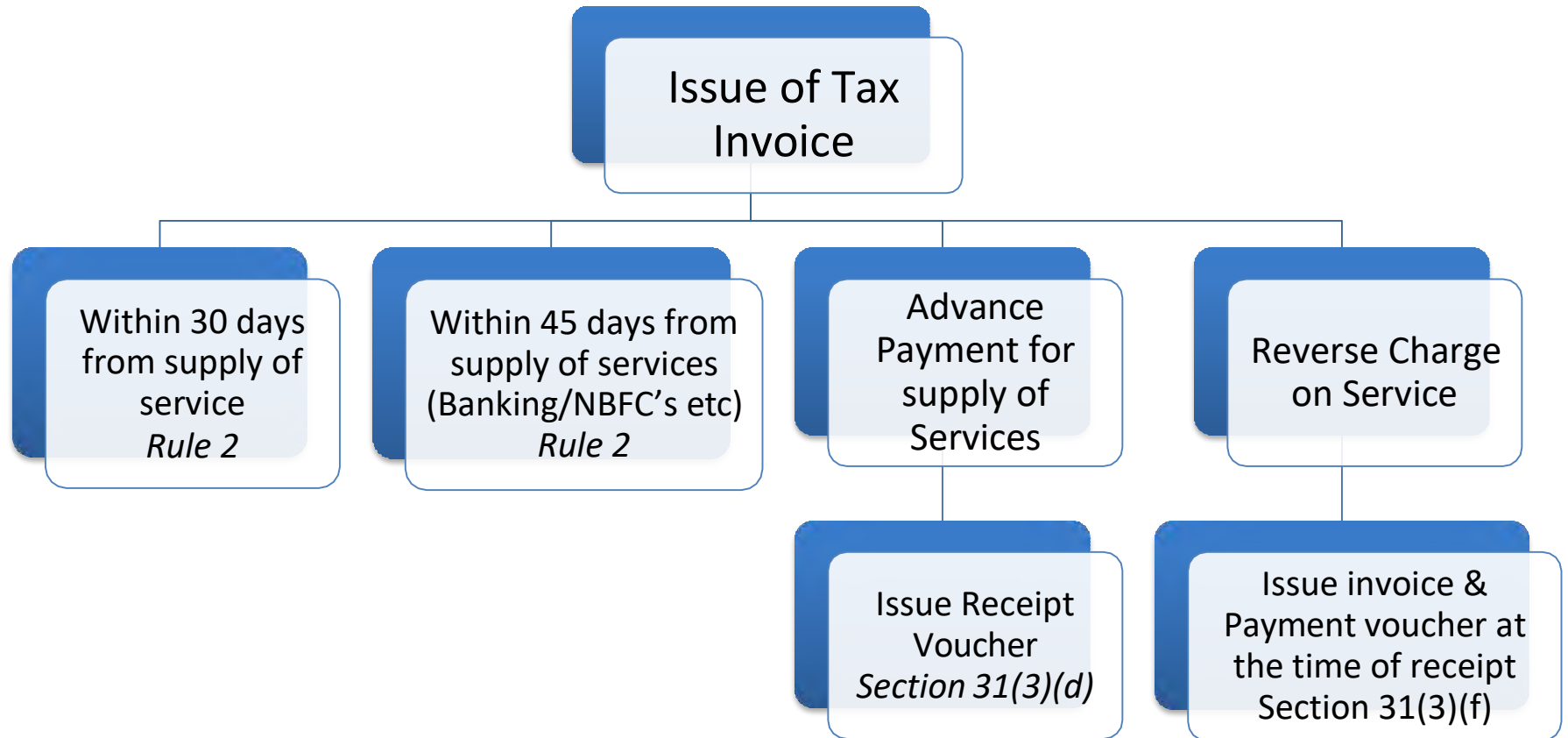
*Time Limit for issuing tax invoice - Supply of Services - **Draft Rule***

Rule 2: The invoice referred to in rule 1, in case of taxable supply of services, shall be issued within a period of thirty days from the date of supply of service:

Provided that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, the period within which the invoice or any document in lieu thereof is to be issued shall be forty five days from the date of supply of service:

Provided further that where the supplier of services is an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, **making taxable supplies of services between distinct persons** as specified in section 25 as referred to in Entry 2 of Schedule I, **may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.**

Time for issue of Invoice



Time for issue of Invoice – Continuous supply of Services

