Module 2 · Time of supply P19 · topics 2.1–2.4

SM pp. 291–323 (exercise 324–325). **Q5(a) in every June paper** (J24, J26 goods; J25 vouchers + interest) — the December paper puts place of supply there instead, so it is the "June version" to know (expected ~4 marks). D24 Q4(b) time of supply under RCM; MCQs on advances, rate change, legal services RCM.

Paper	Question
Jun'23	Q3(a) service around a **change in rate** (s.14)
Dec'23	MCQs: payment credited after 4 working days · advance for goods
Jun'24 · Jun'26	**Q5(a) time of supply of goods**: removal, delivery, invoice, payment (+ the provision)
Dec'24	**Q4(b) time of supply under reverse charge** — goods and services
Jun'25	Q5(a) **vouchers** and late-payment interest · MCQ rate rises between payment and invoice
Jun'26 · PTP	MCQ legal services under RCM · PTP Q5(a) **goods sent on approval**

GOODS — FORWARD CHARGE s.12(2)

- Earlier of: **date of issue of invoice**, or the **last date** the invoice should have been issued (s.31: on or before removal / delivery). [SM 293]
- **Advances for goods are not taxed** (Notification 66/2017-CT, from 15th November 2017) — all except composition dealers; but specified actionable claims (online money gaming) are taxed on advances from 1-10-2023. [SM 292, SM 313]
- Excess receipt up to **₹1,000** over the invoice: option to take the next invoice date. [SM 295–296]
- Continuous supply of goods: invoice before or with each statement / payment. Goods on **approval**: earlier of the date it becomes known the supply has taken place, or **six months** from removal. [SM 297, SM 309–310]

SERVICES — FORWARD CHARGE s.13(2)

- Invoice issued in time (30 days of completion) → earlier of invoice and **receipt of payment** (book entry or bank credit, earlier); not in time → earlier of **completion** and payment. Advances for services **are** taxed. [SM 297, SM 299–300]
- Continuous supply: due date in the contract; else earlier of payment / invoice; event-linked → completion of the event. [SM 297–298]

REVERSE CHARGE — s.12(3), s.13(3) (D24 Q4(b))

- **Goods**: earliest of receipt of goods; payment (book entry or bank debit, earlier); the date immediately following **30 days** from the supplier's invoice. [SM 293]
- **Services** (amended from 1-11-2024): earlier of (a) payment; (b) the date immediately following **sixty days** from the supplier's invoice; (c) the recipient's **self-invoice** where the recipient must issue it (unregistered supplier). Else the recipient's book entry. Associated enterprise abroad: earlier of book entry and payment. [SM 307]
- Self-invoice within **30 days** of receiving the supply (rule 47A, from 1-11-2024); no consolidation. [SM 307]

OTHER RULES

- **Interest, late fee, penalty** for delayed payment: time of supply = the date the supplier **receives** it (₹1,000 received 15.12.2025 → due 20.01.2026). [SM 312]
- **Residual**: due date of the periodical return, else the date of payment of tax. [SM 312]
- **Change in rate (s.14)**: any two of supply / invoice / payment **before** the change → old rate; two after → new rate (six-row SM table). Payment date = bank credit if credited more than **four working days** after the change. [SM 313–314]

JUN'26 SUPPLEMENTARY · VOUCHERS (w.e.f. 01-10-2025)

s.12(4) and s.13(4) — the special voucher rules — are **omitted**; vouchers follow s.12(2) / s.13(2). Voucher issued 10-01-2026, goods bought and invoiced 20th Feb 2026 → time of supply 20th Feb 2026; a generic spa voucher paid for in October 2025 → October 2025 (payment). J25 Q5(a) answers using "date of issue / redemption" are now out of date. [Supp J26 p.6–7, SM 312]

PROBLEMS BOX · TIME OF SUPPLY (Q5(a) JUNE; D24 Q4(b))

WORKED PATTERN · SM ILLUSTRATION 7 (= J24 / J26 TEMPLATE): INVOICE 01-08-20XX

(i) goods removed 16th August	1st August — invoice is earlier
(ii) buyer collects 10th August	1st August
(iii) full payment 26th July (advance)	1st August — advances ignored for goods
(iv) goods dispatched 31st July	**31st July** — last date for the invoice (removal) is earlier

GOODS ON APPROVAL · PTP Q5(a) (SENT 20th January 2025)

- Accepted 10th Feb 2025 → **10th Feb 2025**; accepted later → six months from removal (**20th July 2025**); returned within six months → no supply. [SM 310]
- ⚠ ICMAI's PTP answer prints 20 July 2025 in one row and "21 July 2025, 1st day after expiry of 6 months" in the next — the SM table uses 20 July.

STEPS

1. Goods or services? forward or reverse charge? any special rule (approval, continuous, voucher, interest, rate

[SM 297]

RCM GOODS · SM ILLUSTRATION 12 (BIDI LEAVES, INVOICE 1st July 2025)

Received 15 July, unpaid → **15-07-2025**; received 3 Aug, paid 4 Aug → **01-08-2025** (day after 30 days). [SM 308]

SERVICES · SM ILLUSTRATION 11 (CMA FIRM, INVOICE 5th August 2025)

Completed 1st July (invoice late) → **1st July**; completed 15th July → **5th August**; paid 3rd July before completion → **3rd July**. [SM 300]

change)?

2. List the candidate dates (invoice, last date for invoice, payment — book / bank, receipt, 30 / 60 days).
3. Take the **earliest** that the section allows; for goods ignore advances.
4. Write the section and the rule in one line first — the questions also ask "the provision".

PRACTISE THESE

J24, J26 Q5(a) · J25 Q5(a) (re-answer with the voucher amendment) · D24 Q4(b) · J23 Q3(a) · PTP Q5(a), Q1(iv) · postal Q2(b) · SM Illus. 1–18 (SM 293–312) · **ICMAI Practice Workbook Ch4 illus. 1–16** · MCQ bank Q31–Q34, Q104, Q106–Q108.

MEMORY HOOK

"Goods: invoice or removal. Services: invoice or cash. RCM: cash or 30 / 60 days. Vouchers: now just goods or services."