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Office of the Principal Secretary & Commissioner of the State Goods and Service Tax  
Department

Government of Kerala, Thiruvananthapuram

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No CT/21187/17-C1

Dtd 19/06/2018

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Circular No. 14 /2018

Sub:- SGSTD – Issuance of Liability Certificate – Procedure to be followed -  
Instruction issued – reg.

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In KVAT regime, the application for obtaining Liability Certificate to the works contractors were submitted online from 1<sup>st</sup> April 2011 onwards. Once the application was submitted by the dealer online, the dealer used to take the print and submit the physical copy to the respective assessing authority. The concerned assessing authority could view the application in KVATIS and verify the same. The assessing authority used to approve the application through KVATIS. He/she would enter the liability, if any, applicable. If the application was approved, respective Liability Certificate could be downloaded from the KVATIS and issued to the dealer after affixing signature and office seal.

In the GST regime it has already been clarified through Advisory 3 that with respect to works completed up to 30-06-2017, tax has to be paid on the basis of the provisions of KVAT Act. This has been clearly mentioned in Section 140(11) of CGST and SGST Act. Regarding the works awarded by Govt., delay has been reported in payments of the contract amount with respect to works completed up to 30-06-2017. Such contractors have been raising the issue of tax Liability Certificate and the manner in which application has to be filed for obtaining the Liability Certificate.

In the circumstances, the following instructions are issued for issuance of Liability Certificate.

1. The certificate is to be issued only to contractors who have undertaken works awarded by Government, KWA and Local Bodies in which there is delay in payment of contract amount for the works completed up to 30-06-2017.
2. The dealer has to download Form No. 1E from the official web site of the department [www.keralataxes.gov.in](http://www.keralataxes.gov.in) - knowledge Centre - Notifications - VAT Forms, fill the relevant portion of it and submit to the respective Assessing Authority in hard copy along with copies of the related work orders.
3. Once the hard copy of the application is received, the concerned Assessing Authority shall verify the same with relevant KVATIS data.
4. The officer shall approve the application manually.
5. Once the application is approved, the Liability Certificate is to be issued to the dealer in 1EE Form after affixing signature and office seal. The copy of the Liability Certificate issued shall be filed in the respective assessment file. The Form of the certificate is available in the official website of the department [www.keralataxes.gov.in](http://www.keralataxes.gov.in) - knowledge Centre - Notifications - VAT Forms.
6. All assessing authorities shall maintain a register regarding Liability Certificates issued by them, containing the following details:
  - a. Name and TIN of the dealer
  - b. Date of submission of application by the dealer.
  - c. Period for which Liability Certificate is issued.
  - d. Date of issuance of Liability Certificate in Form 1 EE.
  - e. Reason for non issuance.
  - f. The data entered in the register shall be countersigned by the controlling officer concerned on weekly basis.
7. Refer to Advisory-3 and Circular No.5/ 2011 .

All Deputy Commissioners shall acknowledge this circular.

  
COMMISSIONER