



39TH GST COUNCIL
PROPOSALS
14/03/2020

Presented by CA Nitin Bhuta

Disclaimer

- All views stated are my personal views they are not binding on WIRC/ICAI. My personal views may be correct/incorrect as they are expressed based on my understanding of the subject.
- All members/listeners are requested to go through tax law provisions on their own and advise their clients accordingly as each situations is peculiar in itself.
- All Illustrations provided are imaginary and any resemblance to any situations is purely co-incidental and without any intentions to disclose private and confidential information.



H - Happy

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ECG
E- Enjoy
C- Celebration
G - Goodness



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INTEREST LIABILITY

Gross or Net ?



INTEREST FOR DELAY IN PAYMENT OF GST TO BE CHARGED ON THE NET CASH TAX LIABILITY W.E.F. 01.07.2017

Law to be amended retrospectively. Most welcome change

Whether any RTP who have paid gross liability, will they get refunds ?



ALL REGISTERED TAXABLE PERSONS WHO HAVE RECEIVED NOTICES TO PAY THE INTEREST ON GROSS LIABILITY WOULD BE BENEFITED BY SUCH RETROSPECTIVE AMENDMENTS..


ALL RTP WHO HAVE TO PAY ANY KIND OF INTEREST LIABILITY AS PER THE PROVISIONS OF GST SHOULD WORK OUT SUCH INTEREST LIABILITY SHOULD PAY THROUGH EITHER GSTR 3B OR THROUGH DRC 03 AS APPLICABLE.

All RTPs must avail such opportunity to discharge the interest liability if applicable prior to receiving any SCN if applicable.



REVOCACTION OF CANCELLATION OF REGISTRATION

Cancelled only upto 14/03/2020




Where registrations have been cancelled till 14.03.2020, application for revocation of cancellation of registration can be filled up to 30.06.2020 (extension of period of application as one-time measure to facilitate those who want to conduct business).

Positive step to facilitate trade. Welcome step.




ANNUAL RETURNS GSTR 9 & GST AUDIT FORM GSTR 9C

GSTR 9 & GSTR 9C for FY 1819




Relaxation to MSMEs from furnishing of Reconciliation Statement in **FORM GSTR-9C**, for the financial year 2018-19, for taxpayers having aggregate turnover below Rs. 5 crores;

It is available only to RTP who are registered as MSMEs for FY 1819 and not to others



Due date for filing the Annual return and the Reconciliation Statement for financial year 2018-19 to be extended to 30.06.2020 from existing due date 31.03.2020.

Due Date extension for GSTR 9 & 9C.




Late fees not to be levied for delayed filing of the Annual return and the Reconciliation Statement for financial year 2017-18 and 2018-19 for taxpayers with aggregate turnover less than Rs. 2 crores.

Is Reconciliation statement applicable to RTP having aggregate turnover less than Rs.2 Crores?



KNOW YOUR CUSTOMER

Similar to KYC




A new facility called 'Know Your Supplier' to be introduced so as to enable every registered person to have some basic information about the suppliers with whom they conduct or propose to conduct business.

Welcome option so that if vendor is irregular in compliances , RTP has an option of not doing the business with such vendors?



GSTR 1 FILING WAIVER

Only for RTP availing special composition scheme and not to others




The requirement of furnishing **FORM GSTR-1** for 2019-20 to be waived for taxpayers who could not opt for availing the option of special composition scheme under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 by filing **FORM CMP-02**.

Only for RTP availing special composition scheme and not to others



IBC COMPANIES

Most welcome step




A special procedure is being prescribed for registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016 and are undergoing the corporate insolvency resolution process, so as to enable them to comply with the provisions of GST Laws during the CIRP period.

It will help such corporate debtors under IBC tremendously. Welcome initiative



TRANSITIONAL PROVISIONS

Only RTPs of in Dadra and Nagar Haveli & Daman and Diu




A special procedure for registered persons in Dadra and Nagar Haveli & Daman and Diu during transition period, consequent to merger of the UTs w.e.f. 26.01.2020; transition to be completed by 31.05.2020.

Transition to be completed by 31.05.2020 by such specified RTP.



GSTR 3B EXTENSION

Only RTPs having principal place of business in the Union territory of Ladakh




Extension of due dates for **FORM GSTR-3B** for the month of July, 2019 to January, 2020 till 24th March, 2020 for registered persons having principal place of business in the Union territory of Ladakh. Similar extension is also recommended for **FORM GSTR-1 & FORM GSTR-7**.

Only RTPs having principal place of business in the Union territory of Ladakh



GST REFUNDS

Welcome Step




**Bunching of refund claims allowed
across financial years to facilitate
exporters.**

Notification to be examined for the detailed deliberations.



E INVOICE AND QR CODE

Extended to 1.10.2020



CERTAIN CLASS OF REGISTERED PERSONS (INSURANCE COMPANY, BANKING COMPANY, FINANCIAL INSTITUTION, NON-BANKING FINANCIAL INSTITUTION, GTA, PASSENGER TRANSPORTATION SERVICE ETC.) TO BE EXEMPTED FROM ISSUING E-INVOICES OR CAPTURING DYNAMIC QR CODE

Extended to 1.10.2020 from existing 1.4.2020 - anticipated decision



DEFERMENT OF E-WALLET SCHEME

Extended to 31.03.2021



Extension of the time to finalize **e-Wallet scheme up to 31.03.2021;**

and

Extension of the **present exemptions from IGST and Cess on the imports made under the AA/EPCG/EOU schemes up to 31.03.2021.**

Extended to 31.03.2021-anticipated decision



EXISTING GST R 1 & GST R 3B

Continued till 30.09.2020



CONTINUATION OF EXISTING SYSTEM OF FURNISHING
FORM GSTR-1 & FORM GSTR-3B
TILL SEPTEMBER, 2020;

Continued till 30.09.2020 -anticipated decision



OTHER NEW INITIATIVES



SEEKING INFORMATION RETURN FROM BANKS

Monitoring of Cash Deposits , mobilization of funds, Issuance of LC , declaration of Stock , Book Debts and Accounts payable information or more , correlation of reporting with CARO 2020 etc.?????????

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MONITORING OF NEW GST REGISTRATIONS

To Curb Fake Invoicing, to verify ITC claims, Passing of ITC before physical verification of the premises and Financial KYC of the registered person.....welcome initiative but it should not hamper the flow of the credit in case of genuine stakeholders.....

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ISSUANCE OF CIRCULARS

Welcome Circulars



CLARIFICATION IN APPORTIONMENT OF ITC IN CASES OF BUSINESS REORGANIZATION UNDER SECTION 18 (3) OF CGST ACT READ WITH RULE 41(1) OF CGST RULES;

Welcome initiative for Mergers and acquisitions of Businesses

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APPEALS DURING NON CONSTITUTION OF THE
APPELLATE TRIBUNAL;

CLARIFICATION OF REFUND RELATED ISSUES &

Welcome initiatives

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CLARIFICATION ON SPECIAL PROCEDURE FOR
REGISTERED PERSONS WHO ARE CORPORATE
DEBTORS UNDER THE PROVISIONS OF THE
INSOLVENCY AND BANKRUPTCY CODE, 2016,
UNDERGOING THE CORPORATE INSOLVENCY
RESOLUTION PROCESS.

Welcome initiatives

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AMENDMENT TO CGST RULES

Welcome Initiatives

Amendments to CGST Rules

- Procedure for reversal of input tax credit in respect of capital goods partly used for affecting taxable supplies and partly for exempt supplies under rule 43 (1) (c);
- ceiling to be fixed for the value of the export supply for the purpose of calculation of refund on zero rated supplies;

Amendments to CGST Rules

- to allow for refund to be sanctioned in both cash and credit in case of excess payment of tax
- to provide for recovery of refund on export of goods where export proceeds are not realized within the time prescribed under FEMA; and
- to operationalize Aadhaar authentication for new taxpayers.



OTHER PLANNED CHANGES

Welcome Initiatives

Other planned changes

IT system to concurrently handle 3 lakh taxpayers from the present level of 1.5 lakh taxpayers

Shri Nandan Nilekani would attend the next 3 meetings of the GST Council. To support the timely implementation of various initiatives, the Council gave a go ahead for deployment of additional manpower (60 in number) on T&M basis.

Shri Nandan Nilekani assured that he would personally monitor the progress of the GSTN project and also agreed to attend the IT-GoM for the next 6 months or till such time the initiatives are implemented. The GST Council expects these initiatives to be implemented by the 31 st of July, 2020.

Other planned changes - GSTR 1 for Rule 36(4)

- GSTR 1 filing date changed to 10th March for all RTP having a turnover more than 1.5 Crores
- GSTR 1 filing date changed to 13th March for all RTP having a turnover less than 1.5 Crores

(above change has been introduced with the intention to control claim ITC as per Rule 36(4) and if not filed late fees would be payable. Thus effectively quarterly filing would be done away w.e.f 1.4.2020)

Consequently GSTR 2A would be generated on 14th of the following month.



Conclusions

NOTE: THE RECOMMENDATIONS OF THE GST COUNCIL HAVE BEEN PRESENTED IN THIS RELEASE IN SIMPLE LANGUAGE FOR INFORMATION OF ALL STAKEHOLDERS. THE SAME WOULD BE GIVEN EFFECT THROUGH RELEVANT CIRCULARS/NOTIFICATIONS OR AMENDMENT IN GST LAWS WHICH ALONE SHALL HAVE THE FORCE OF LAW.

Effectiveness of above press release dated 14.03.2020

SURROUND YOURSELF WITH PEOPLE WHO TALK ABOUT VISION AND IDEAS NOT PEOPLE

Appreciated all of You.



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