

LATEST GST UPDATES DURING THE PERIOD OF 01.06.2020 TO 15.06.2020

1.FILLING GSTR-3B THROUGH SMS

(Notification 44/2020 date 08.06.2020-Central Tax)



- As on 08.06.2020, to make compliance and procedure easy for taxpayers, CBIC allowed filling of “Nil” GST returns under section 39 through SMS under rule 67A.

2. TAX PERIOD TO TRANSFER ITC FOR PERSON REGISTERED IN UNION TERRITORY

(Notification No. 45/2020-date 09.06.2020-Central Tax w.e.f 31.05.2020)

- The transition procedure prescribed by CBIC to ascertain tax period, to transfer ITC and taxes for persons whose place of business was in the erstwhile Union Territory of Daman and Diu or in the Union Territory of Dadra and Nagar Haveli till the 26-1-2020 and is in the merged union territory of Daman and Diu and Dadra and Nagar Haveli from 27-2-2020 onwards, has now been extended till July 31, 2020 (instead of 31.05.2020 as per notification - 10/2020).

3. TIME PERIOD OF ISSUANCE OF REFUND ORDER

(Notification No. 46/2020 date 09.06.2020-Central Tax w.e.f 20.03.2020):

- Issuance of Refund Order
- (Whichever is Later
 - 75Days of Reply c Notice
- 30.06.2020

- Government hereby notifies that in case where a notice has been issued for rejection of refund claim, in full or in part & where time limit for issuance of order (i.e. 60 days From receipt of application) falls during the period From 20th March 2020 to 29th June 2020 in such cases the time limit for issuance of said order shall be extended to 15 days after receipt of reply of notice from registered person or 30th June 2020, whichever is later.

- Thus, if refund order date is between periods of 20.03.2020 to 29.06.2020 then with effect of this notification, time period is extended and refund order can be issued within 75days of reply of notice from taxpayers or 30.06.2020, **whichever is later.**

4. VALIDITY OF E-WAY BILL

(Notification No. 47/2020 date 09.06.2020- Central Tax, w.e.f 31.05.2020)

- The validity of an e-way bill generated on or before 24 March 2020 and whose validity has expired on or after 20 March 2020 shall be deemed to have been extended **till the 30 June 2020**.

5. CLARIFICATIONS ON REFUND OF ITC AVAILED NOT REFLECTED IN GSTR 2A

(Circular No. 139/09/2020 date 10.06.2020)

- CBIC with this circular clarifies issues pertaining to the refund of ITC availed on the invoices which are not reflecting in GSTR-2A.

• RELATED TO IMPORT, ISD & RCM INVOICES
• **ALLOWABLE FOR REFUND**

• RELATED TO OTHER THAN ABOVE INVOICES
• **NOT ALLOWABLE FOR REFUND**

- As per circular No. 125/44/2019 date 18.11.2019, the refund of ITC availed on such missing invoices was allowable on the basis of presentation of copies of the said bills/invoices. But circular No. 135/05/2020 date 31.03.2020 put restrictions on refund of ITC availed.

- Now, here is question of reflection of ITC of **RCM bills, ISD bills and Imports/BOE**. What refund sectioning authority doing, they are rejecting the amount of refund saying, it is not reflecting in GSTR 2A and as per circular No. 135/05/2020 date 31.03.2019 such missing invoices not to be considered. *(If we think practically, Custom Department is not going to fill GSTR 1 so that ITC amount in BOE/import docs. will reflect in GSTR 2A and all the suppliers of specified goods/services are not registered. Hence it is obvious that such invoices will not be available in GSTR 2A.)*

- Therefore, CBIC clarified with this circular that circular no. 135/05/2020 date 31.03.2019 does not impact the refund of ITC availed in respected of above three cases.

The treatment of refund of ITC availed pertaining to these three invoices will continue to be same as it was before circular no. 135/05/2020 i.e., as per 125/44/2019.

- Further, ITC availed on missing invoices in GSTR -2A **other than Imports, RCM and ISD bills** is continue to be disallowable for the refund purpose.

There is no doubt that this is disputable matter as Input tax credit is vested rights for the taxpayer. They should not be suffered because of the mistakes of suppliers. Further there is no clarification by CBIC that is refund admissible once such ITC of missing invoices gets reflected in GSTR 2A in next month or future period?

6. CLARIFICATION ON GST APPLICABILITY ON DIRECTOR'S REMUNERATION

(Circular No. 140/10/2020 date 10.06.2020)

- Advance Rulings of AAR Rajasthan and AAR Karnataka had created confusion on applicability of GST on Director's Remuneration. With this circular, CBIC clarifies and explain when GST under RCM will be applicable.

- CBIC clarifies that if any director is providing services to the company under contract of services/ employments contract and TDS on salary paid to the director is deducted under section 192 of IT Act, then such transactions/services fall under Schedule III, of CGST Act, 2017 i.e. "services by an employee to the employer in the course of or in relation to his employment". No GST to be payable on such amount.

Let we refer below table for more understanding;

SR. NO.	PARTICULARS	GST UNDER RCM - YES/NO	REMARKS
1.	Payment to a Whole Time Director who is not employee of the company i.e., no employment contract exists	YES	Notification No. 13/2017, Entry No.6
2.	Payment to a Whole Time Director who is employee of the company i.e., employment contract exists and TDS deducted u/s 192 of IT Act.	NO	Schedule III of CGST Act,2017
3.	Payment to an Independent Director	YES	If any person has not been director, proprietor or partner in last 3 years, then only he/she is eligible to be Independent director. Such director is not engaged in regular operation of company.

			*Notification No.13/2017 entry no. 06
4.	Payment for "Professional " or "Technical" services where TDS deducted u/s 194J	YES	Notification No.13/2017 entry no. 06

- A Question may arise that if a person is director in more than two companies and drawing salary from both companies, TDS deducted u/s 192 then GST under RCM will attract? **Answer is NO. NO GST UNDER RCM IF THERE IS EMPLOYMENT CONTRACT.**

7. GLIMPSES OF 40TH GST COUNCIL MEETING DATED 12.06.2020

(I) Reduction in Late Fee for past Returns: Late fee for filling of pending the **GSTR-3B** of the tax period of **July,2017 to January,2020** has been waived off as below;

Sr. No.	Any Tax Liability in a Month?	Late Fee per Return	Date of Filling of Returns
1	NO	NIL	01.07.2020 to
2	YES	Rs.500	30.09.2020

(II) Relief in Interest Rate for Small Taxpayers (Aggr. Turnover upto Rs.5Cr):

- **For The Tax Period of February, March and April,2020:** The Interest of late filling of returns for the said tax periods after specified dates (staggered up to 6th July 2020) is reduced @ 8% p.a. till 30.09.2020. No Interest till the notified dates (staggered up to 6th July 2020) which is depends on turnover of previous years.

- **For The Tax Period of May, June and July, 2020:** Interest rate and Late fee are waived off if filling of returns of these tax period are furnished by September,2020. (Staggered due date will be notified by CBIC)

(III) One Time Extension for Revocation of Cancellation of Registration:

- To facilitate taxpayers who could not get their cancelled GST registrations restored in time, an opportunity is being provided for filing of application for revocation of cancellation of registration up to 30.09.2020, in all cases where registrations have been cancelled till 12.06.2020.

(IV) Certain clauses of the Finance Act, 2020 amending CGST Act 2017 and IGST Act, 2017 to be brought into force from 30.06.2020.

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