

CGA Legal
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The GST Bulletin

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About The GST Bulletin

The GST Bulletin is a Fortnightly Newsletter from Team CGA Legal, a leading Indirect Tax Consultancy firm . The Newsletter is intending to keep its readers updated with all important changes in Goods & Services Tax including latest Notifications, Circular and Technical updates if any. The Newsletter also has a special column of GST Compliance Calendar for the Month. Along with it, CGA also sends various legal recommendations which have immense implications in improving the compliance of GST in your business.

All editions of our newsletters can be referred from below link below;
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Other Offerings from Team CGA Legal

- **CGA Legal Judicial Precedent:** A Fortnightly Publication of various important judgments which can have huge impact on your business decisions.
- **CGA Legal GST Compliance Calendar:** Our Monthly Calendar detailing all GST related compliances for the month so that you never miss of any of the compliances.
- **CGA Legal Meet :** Our Monthly Webinar series discussing various trending GST legal and compliance issues

All the previous editions can be accessed on our website
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GST Compliance Calendar - August 2021

Statutory Due Date	Type of Return & Tax Period	Period	Type of Taxpayer
10-08-21	GSTR-7	July-2021	TDS Deductor
10-08-21	GSTR-8	July-2021	E-Commerce Operator
11-08-21	GSTR-1	July-2021	Turnover more than INR 5 crore in the preceding FY & Turnover up to INR 5 crores and have opted for monthly return filing.
13-08-21	Details of Outward Supplies through Invoice Furnishing Facility [IFF]	July-2021	Taxpayer who are under QRMP Scheme
13-08-21	GSTR-6	July-2021	ISD
20-08-21	GSTR-3B	July-2021	Turnover more than INR 5 crore in the preceding FY
20-08-21	GSTR-3B	July-2021	Turnover upto INR 5 crore in the preceding FY but opted for monthly return filing
20-08-21	GSTR-5	July-2021	Non-Resident Taxable Person
20-08-21	GSTR-5A	July-2021	OIDAR
25-08-21	GST PMT-06	PMT-06	Taxpayer who is opting for QRMP Scheme has to deposit tax using form GST PMT-06 by the 25th of the following month, for the first and second months of the quarter

Note:

Opting of QRMP Scheme by taxpayers having an aggregate turnover upto 5 Cr in the preceding FY

Taxpayers having an aggregate turnover upto 5 Cr in the preceding FY can opt of QRMP Scheme from first day of second month of preceding quarter to the last day of first month of quarter. Therefore, for quarter April 2021 to June 2021 a taxpayer can opt for QRMP Scheme from 1st day of February 2021 till 30th day of April 2021.

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
1.	29/2021-CT dt. 30.07.2021	<p>Seeks to appoint 1st August 2021 as the day on which provisions relating to non-requirement of GST audit and Self Certification of Reconciliation Statement by Management shall come into force</p> <p>Seeks to appoint the 1st August 2021 for the provisions relating to abolition of Section 35(5) of CGST Act, 2017, relating to the requirement of getting the annual accounts audited by Chartered Accountant or Cost Accountant and submitting of the reconciliation statement in Form GSTR-9C, shall come into force.</p> <p>Also, from now onwards, every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed.</p> <p>Further, the Commissioner may exempt any class of persons from filing annual returns upon receiving such recommendation from the GST Council.</p> <p><i>CGA Comments: With effect from this amendment the mandatory requirement of getting the reconciliation in GSTR-9C certified by a Chartered Accountant/ Cost Accountant is proposed to be removed. Any registered person would be able to furnish the annual return along with a self-certified reconciliation statement reconciling the values between annual return and financial statements.</i></p>
2.	30/2021-CT dt. 30.07.2021	<p>Seeks to amend Rule 80 of the CGST Rules, 2017 and notify Form GSTR 9 and 9C for FY 2020-21.</p> <p>Seeks to amend Rule 80 of CGST Rules, 2017 w.e.f 1st August 2021.</p> <ul style="list-style-type: none"> • Every registered person, an ISD, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year as specified under section 44 electronically in FORM GSTR-9 on or before the 31st of December following the end of such financial year. • A composition dealer shall furnish the annual return in FORM GSTR-9A. • An electronic commerce operator shall furnish annual statement in FORM GSTR-9B.

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
		<ul style="list-style-type: none"> Every registered person, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement as specified under section 44 in FORM GSTR-9C along with the annual return on or before the 31st of December following the end of such financial year. <p>Further, it also seeks to notify Form GSTR 9 and 9C for FY 2020-21.</p>
3.	31/2021-CT dt. 30.07.2021	<p>Seeks to exempt taxpayers having AATO upto Rs. 2 crores from the requirement of furnishing annual return for FY 2020-21</p> <p>Seeks to exempts the registered person whose aggregate turnover in the financial year 2020-21 is upto two crore rupees, from filing annual return for the said financial year.</p>

GST Technical Updates – GSTN

Filing of Annual returns by composition taxpayers. - Negative Liability in GSTR-4

Date: 22-07-2021

Background: Since FY 2019-20, composition taxpayers has to pay the liability through Form GST CMP-08 on quarterly basis while GSTR-4 Return is required to be filed on annual basis after end of a financial year.

Reason of Negative Liability in GSTR4: The liability of the complete year is required to be declared in GSTR-4 under applicable tax rates. Taxpayers should fill up table 6 of GSTR-4 mandatorily. In case, there is no liability, the said table may be filled up with '0' value. If no liability is declared in table 6, it is presumed that no liability is required to be paid, even though, taxpayer may have paid the liability through Form GST CMP-08. In such cases, liability paid through GST CMP-08 becomes excess tax paid and moves to Negative Liability Statement for utilization of same for subsequent tax period's liability.

What the taxpayer did wrongly: Liability paid through Form GST CMP-08 is auto-populated in table 5 of the GSTR-4 for convenience of the taxpayers. Taxpayers who do not fill up table 6 of GSTR-4 i.e. no liability is declared, even though, taxpayer may have paid the liability through Form GST CMP-08; since the 'Tax payable' in GSTR-4 is computed after reducing the liability declared in GST CMP-08 and then auto-populated in table 5. Thus, if nothing is declared in table 6, then the negative liability entry appears in GSTR-4.

How to proceed in case of negative liability: If table 6 of GSTR-4 has not been filled due to oversight, a ticket may be raised to nullify the amount available in negative liability statement. If there is no liability to be paid during the year, the liability paid through Form GST CMP-08 shall move to negative liability statement and the same excess amount can be utilised to pay the liability of future tax periods.

CGA Legal Comments

There may be certain operational issues while raising tickets to nullify the amount available in negative liability statement like the time taken for resolution of the ticket. Also, it may be seen that in case Table 6 is not filled, there is no recourse available like amendment of GSTR-4.

GST Technical Updates – GSTN

New functionality on Annual Aggregate Turnover (AATO) deployed on GST Portal for taxpayers

Date: 27-07-2021

GSTN has implemented a new functionality on taxpayers' dashboards with the following features:

The taxpayers can now see the exact Annual Aggregate Turnover (AATO) for the previous FY, instead of just the two slabs of Above or Upto Rs. 5 Cr.

The taxpayers can also see the Aggregate Turnover of the current FY based on the returns filed till date.

The taxpayers have also now been provided with the **facility of turnover update** in case taxpayers feel that the system calculated turnover displayed on their dashboard varies from the turnover as per their records.

This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in their turnover shall be summed up for computation of Annual Aggregate Turnover for each of the GSTINs

The taxpayer can amend the turnover **twice** within a period of **one month** from the date of roll out of this functionality. Thereafter, the figures will be sent for review of the Jurisdictional Tax Officer who then can amend the values furnished by the taxpayer.

Note: For details, the taxpayers may check out the 'Advisory' section of the aforementioned functionality on their respective dashboards.

CGA Legal Comments

In our view, the turnover finalized as per this functionality may be used by the jurisdiction officer to check the compliances by the taxpayers with respect to provisions that have aggregate turnover as the criterion like E-Invoicing, Implementation of QR Code in case of B2C Transaction, eligibility for filing of GSTR 9/9C, Registration, etc.

GST Technical Updates – GSTN

Functionality to check and update bank account details

Date: 29-07-2021

A functionality to check status of bank account details update for the taxpayers who have taken new registration at GST Portal but have not yet furnished the same, has been introduced, in view of Rule 10A of the CGST Rules 2017. Such taxpayers are required to update their Bank Account Details within 45 days of the first login henceforth.

The taxpayers may login and update Bank Account details through Non-core amendment in the manner as specified in the below table. In case the taxpayers who had not updated bank account after registration and are also failed to update within 45 days of their first login henceforth, the system will prompt and force them to comply with the requirements.

Following steps need to be followed by the taxpayer to update the bank account details:

- Login to the taxpayer portal
- Go to 'Services'
- Click on 'Registration'
- Click on the tab 'Amendment of Registration Non-Core Fields'
- Select tab 'Bank Accounts'
- Add details of Bank Account (Account No., IFSC, Address, Bank Account type)
- Click on the verification tab, select authorized signatory, enter a place
- Sign application using DSC, E-sign or EVC

After completion of Bank Account update, a success message will appear on the screen, and the acknowledgment will be sent at the registered email and mobile phone.

GST Article

GST Amnesty Scheme 2021 – A Questionable Affair

Background

Late fees remain a significant liability for taxpayers filing returns. For late filing of GSTR-3B by the due date, MSMEs must pay a late fee of INR 50 per day (INR 20 in the case of a NIL return). As a result of all of this, the government has been repeatedly asked to extend the GST Amnesty Scheme's duration. Consequently, the Government has come up with the GST Amnesty Scheme for the waiver of late fees on filing of FORM GSTR-3B.

Notification No. 19/2021-Central Tax dated 01-June-2021 provides the facility to the taxpayers for the waiver of late fees who failed to furnish the return in FORM GSTR-3B for the months /quarter of July, 2017 to April, 2021, by the due date but furnish the said return between the period from the 01-June-2021 to 31-August-2021.

The cap for the waiver of late fees has been decided on the basis whether the tax payable in the return filed is Nil or not. The late fees has been waived in excess of INR 1,000 [500 for CGST and 500 for SGST] for the taxpayers where the tax is required to be paid in the return to be filed. Further, the late fees has been waived in excess of INR 500 [250 for CGST and 250 for SGST] for the taxpayers having Nil return.

The Government had announced Amnesty Scheme in earlier Financial Years also for which different capping of late fee had been prescribed. The brief comparison of the earlier amnesty scheme with the current one is summarized in the table below:

Point of Comparison	Amnesty Scheme announced in 2018	Amnesty Scheme announced in 2019	Amnesty Scheme announced in 2020	Amnesty Scheme announced in 2021
Introducing Notification	76/2018-Central Tax dated 31-12-2018 75/2018-Central Tax dated 31-12-2018	74/2019-Central tax dated 19-12-2019	52/2020-Central Tax dated 24-06-2020	19/2021-Central tax dated 01-06-2021
Period of returns	July 2017 to September 2018	July 2017 to November 2019	July 2017 to January 2020	July 2017 to April 2021
Period to file returns	22-12-2018 to 31-03-2019	19-12-2019 to 17-01-2020	01-07-2020 to 30-09-2020	01-06-2021 to 31-08-2021

GST Article

GST Amnesty Scheme 2021 – A Questionable Affair

Point of Comparison	Amnesty Scheme announced in 2018	Amnesty Scheme announced in 2019	Amnesty Scheme announced in 2020	Amnesty Scheme announced in 2021
Late Fees Waived	Total amount of late fees waived	Total amount of late fees waived	Total amount for taxpayers having Nil Return and in excess of INR 500 for other taxpayers	In excess of INR 500 for taxpayers having Nil return and INR 1000 in case of other taxpayers.
Returns Covered	GSTR-3B and GSTR-1	GSTR-1	GSTR-3B	GSTR-3B

Non-inclusion of other GST Returns in the Amnesty Scheme

GST Amnesty Scheme provides the waiver of late fees only in the case of filing of FORM GSTR-3B. However, the Government has not provided the facility to the taxpayers for the waiver in the late fee for other GST returns e.g. GSTR-1, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR-7 and GSTR-10.

However, in the earlier Amnesty Schemes announced by Government in the year 2018 and 2019, there was waiver of late fees on GSTR-1 also

No provision for refund of late fees already paid

The Government has not come with a mechanism to provide the refund of late fees already paid by the taxpayers for the return covered during the months /quarter of July 2017 to April 2021.

In this way, there is a loss for the taxpayers who acted bona-fide and have already deposited the late fee on their delayer filing of FORM GSTR-3B.

Amnesty Scheme does not provide immunity from the period of limitation of taking ITC

It is being argued that the amnesty scheme allows tax payment pending for previous periods. In contrast, it is silent about whether one can claim ITC in the same return of that financial year.

The CGST Act lays down the time limit to claim ITC. The ITC on a tax invoice or debit note raised in a financial year can be claimed by the earlier of two dates. Firstly, it is the due date of filing GSTR-3B for September of the year following the financial year. Secondly, it is the date of filing the annual return.

GST Article

GST Amnesty Scheme 2021 – A Questionable Affair

As per the arguments made, the government has extended the time limit to file GSTR-3B of previous tax periods. However, it has not extended the time limit for claiming ITC of the past tax periods. Due to this, it legally disallows a taxpayer from reporting ITC while filing GSTR-3B of the past tax period under the amnesty scheme. The taxpayers must be given the full advantage of the scheme by looking into this aspect as well.

No provision for waiver of interest under Amnesty Scheme

Though the intention of the government through the Amnesty Scheme is to adhere the taxpayer to file their pending returns with the relaxation in the late fees. However, the taxpayer need to pay the interest on the delayed payment of tax on the outward supplies under Section 50 of CGST Act, 2017.

Amnesty Scheme does not provide the relaxation to the taxpayer from interest on such delayed filing of their returns.

Hardships for taxpayers under GST Laws for adhering to regular compliance

As per Rule 138E of CGST Rules, 2017, no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of any outward movement of goods of a registered person, who has not furnished the returns for a consecutive period of two tax periods.

Further, as per Section 29(2) of CGST Act, 2017, the proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, any registered person has not furnished returns for a continuous period of six months.

From the above provisions it can be seen that the taxpayers these days is alert on filing of GST returns because of such hardships on the taxpayers in case of non-filing of return for consecutive periods.

Therefore, the relevance of bringing the amnesty scheme for taxpayers is not that worthy.

Conclusion

Although the present amnesty scheme provides a huge relaxations to the taxpayers who skipped their return filing and a huge amount of late fees was accumulated, however, it also lacks on some frontiers or it can be said that the Government has brought this scheme to get the pending returns filed and to receive the tax and interest on such returns just by giving the benefit of waiver of late fees.

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9 (Annual Return)

The CBIC had issued Notification No. 30/2021-Central Tax dated 30-07-2021 in order to simplify the reporting requirements in GSTR-9. The detail simplification made is as under:

Table	Particulars	Remarks	Applicable for Financial Year
4B to 4E	Details of advances, inward and outward supplies made during the financial year on which tax is payable	This table can be filled net of credit notes, debit notes, amendments respectively in case there is any difficulty in reporting such details separately	2017-18, 2018-19, 2019-20 and 2020-21
4I, 4J, 4K& 4L	CN, DN, amendments	These can be netted off in Table 4B to 4E	2017-18, 2018-19, 2019-20 and 2020-21
5D, 5E, 5F	Exempted, Nil rated, Non-GST	Taxpayers have an option to either separately report his supplies as exempted, nil rated and Non-GST supply or report consolidated information for all these three heads in the "exempted" row only	2017-18, 2018-19, 2019-20 and 2020-21
5A to 5F	Details of Outward supplies made during the financial year on which tax is not payable	This table can be filled net of credit notes, debit notes, amendments respectively, in case there is any difficulty in reporting such details separately	2017-18, 2018-19, 2019-20 and 2020-21

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9 (Annual Return)

Table	Particulars	Remarks	Applicable for Financial Year
5H, 5I, 5J & 5K	CN, DN, amendments	These can be netted off in Table 5A to 5F	2017-18, 2018-19, 2019-20 and 2020-21
6B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Taxpayers have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the "inputs" row only.	2017-18 and 2018-19
6B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Taxpayers shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" row only.	2019-20 and 2020-21
6C & 6D	Inward supplies received from unregistered / registered persons liable to reverse charge	(1) Taxpayers have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the "inputs" row only (2) Taxpayers have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only	2017-18 and 2018-19

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9 (Annual Return)

Table	Particulars	Remarks	Applicable for Financial Year
6C & 6D	Inward supplies received from unregistered / registered persons liable to reverse charge	(1) Taxpayers shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" row only. (2) Taxpayers have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only	2019-20 and 2020-21
6E	Import of goods (including supplies from SEZs)	Taxpayers have an option to either report the breakup of input tax credit as inputs and capital goods or report the entire input tax credit under the "inputs" row only.	2017-18 and 2018-19
6E	Import of goods (including supplies from SEZs)	Taxpayers shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" row only.	2019-20 and 2020-21
7A to 7E	Details of ITC reversed	Taxpayers have an option to either fill his information on reversals separately in Table 7A to 7E or report the entire amount of reversal under Table 7H only	2017-18, 2018-19, 2019-20 and 2020-21
8A to 8D	ITC as per GSTR-2A & comparison	The registered person shall have an option to upload the details for the entries in Table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without the CA certification)	2017-18 and 2018-18

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9 (Annual Return)

Table	Particulars	Remarks	Applicable for Financial Year
12	Reversal of ITC availed during previous financial year	Optional	2017-18, 2018-19, 2019-20 and 2020-21
13	ITC availed for the previous financial year	Optional	2017-18, 2018-19, 2019-20 and 2020-21
15A, 15B, 15C, 15D, 15E, 15F, 15G	Particulars of Refunds & demands	Optional	2017-18, 2018-19, 2019-20 and 2020-21
16A, 16B & 16C	Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis	Optional	2017-18, 2018-19, 2019-20 and 2020-21
17, 18	HSN summary for outward supplies and inward supplies	Optional	2017-18, 2018-19, 2019-20 and 2020-21

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9C (Reconciliation Statement)

Following the relaxations provided in Form GSTR-9C FY 2017-18, FY 2018-19, FY 2019-20 and FY 2020-21 unless specifically mentioned.

Table	Particulars	Remarks
5B	Unbilled revenue at the beginning of Financial Year	
5C	Unadjusted advances at the end of the Financial Year	
5D	Deemed Supply under Schedule I (+)	
5E	Credit Notes issued after the end of the financial year but reflected in the annual return	
5F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	While preparing Reconciliation of Gross Turnover in Table 5, it would be optional to not fill unbilled revenue, unadjusted advances and other few entries. If there are any adjustments required to be reported then the same may be reported in 'Table 5O – Adjustments in turnover due to reasons not listed above
5G	Turnover from April 2017 to June 2017	
5H	Unbilled revenue at the end of Financial Year	
5I	Unadjusted Advances at the beginning of the Financial Year	
5J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	
5K	Adjustments on account of supply of goods by SEZ units to DTA Units	
5L	Turnover for the period under composition scheme	
5M	Adjustments in turnover under section 15 and rules thereunder	
5N	Adjustments in turnover due to foreign exchange fluctuations	

GST Article

Relaxations in Reporting Requirements in Filing GSTR-9C (Reconciliation Statement)

Table	Particulars	Remarks
12B	ITC booked in earlier Financial Years claimed in current Financial Year	Optional
12C	ITC booked in current Financial Year to be claimed in subsequent Financial years	Optional
14	Reconciliation of ITC declared in Annual Return (GSTR-9) with ITC availed on expenses as per audited Annual Financial Statement or books of accounts	There will be an option to not fill 'Table 14- Reconciliation of ITC declared in Annual Return (GSTR-9) with ITC availed on expenses as per audited Annual Financial Statement or books of account'.



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