L&S UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

OCTOBER 17, 2020

GST

Central Goods and Services Tax Rules, 2017 – 12th Amendment Rules, 2020

UPDATE NO. 43 OF 2020

Lakshmikumaran & Sridharan attorneys

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AMENDMENT IN CENTRAL GOODS AND SERVICES TAX RULES, 2017 [NOTIFICATION NO. 79/2020-CT]

A. Requirement for mentioning Harmonised System of Nomenclature (HSN) Code in invoice:

- Power to notify:
  i) number of digits of HSN Code to be mentioned in invoice for a class of
    - registered persons, or
    - supplies of goods or services

  ii) class of registered persons not required to mention HSN
  (Substitution of first proviso to Rule 46 of Central Goods and Services Tax Rules, 2017 (***'CGST Rules, 2017'***))

- HSN requirement for person having aggregate turnover in preceding financial year
  a) More than 5 crores: 6 Digit
  b) Less than 5 crores
    - 4 Digit for supplies to registered person
    - Not required for supplies made to unregistered person

  (NN 78/2020-CT and NN 06/2020-IT)

B. NIL Form GST CMP-08 can be filed by composition taxpayers through SMS verified by OTP *(Substitution of Rule 67A of CGST Rules, 2017)*

C. GSTR-9C i.e. GST Audit for FY 2019-20 manadatory for registered person whose aggregate turnover exceeds INR 5 crore. (Substitution of proviso to Rule 80(3) of CGST Rules, 2017)

D. BLOCKING OF E-WAY BILL:

- Provisions for blocking of e-way bill relaxed for the period from 20-03-2020 till 15-10-2020 where GSTR-3B or GSTR-1 or CMP-08, not furnished for the period Feb-20 to Aug-20. *(Insertion of proviso in Rule 138E w.e.f. 20-03-2020)*

- Taxpayers, whose aggregate turnover above INR 5 crore in the preceding FY, having 2 or more GSTR-3B returns pending will not be able to generate E-way Bill from 15-10-2020. *(GSTN Update dated 10-10-2020)*

L&S UPDATE: The CGST Rules have not been amended to provide that provisions for blocking of e-way bill is only for those taxpayers whose aggregate turnover exceeds INR 5 crore in preceding FY.

E. Changes in Forms:

1. GSTR-1: Under Table 12, requirement of 'Total value' replaced with 'Rate of Tax'
2. GSTR-2A: New form substituted. Broad changes are as follows:
   - New columns added:
     - GSTR-1/5- period, filing date, filing status
     - Amendments: Details of amendment, tax period in which amendment made
     - Effective date of cancellation of registration of supplier (if any)
   - Two tables covering bill of entry data (including amendments) for
     - Import of goods from overseas
     - Inward supplies from SEZ unit / developers
   - Various instructions have been added to clarify the manner of auto-population of data in GSTR-2A.
3. GSTR-9 (Annual Return): Few of the changes made in GSTR-9 are as follows:
   - Headings and instructions have been revised for furnishing GSTR-9 for FY 19-2020 (Table S. No. 8C, Part V, Instructions in paragraph 4, 5, 6, 7)
   - In Table 6E, for FY 2019-20, need to report ITC of capital goods and option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the 'inputs'.
   - In Table 8A, for FY 2019-20, the details from GSTR-2A generated as on 01-11-2020 will auto-populate.
   - Instruction clarifying that the taxpayers to report the values pertaining to the current financial year only in Table 4, 5, 6 and 7.
4. GSTR-9C (GST Audit)
   Instructions have been revised for furnishing FY 19-2020 GSTR-9C (Para 4 & 6)
5. Changes in other Forms: GSTR-5, GSTR-5A, RFD-01, ASMT-16, DRC-01, DRC-02, DRC-07, DRC-08, DRC-09, DRC-24, DRC-25.

OTHER UPDATES

A. GSTR-9 i.e. GST Annual Return for FY 2019-20 optional for registered person whose aggregate turnover not exceeds INR 2 crore.
(Notification No. 77/2020-Central Tax, dated 15-10-2020).

B. Clarification on Annual Return (GSTR-9)

- Taxpayers are required to report only the values pertaining to FY 2018-19 in Annual return and the values pertaining to FY 2017-18 which may have already been reported or adjusted are to be ignored.

- No adverse view would be taken in cases where there are variations in returns for taxpayers who have already filed their GSTR-9 of FY 2018-19 by including the details of supplies and ITC pertaining to FY 2017-18 in the Annual return for FY 2018-19.

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