Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & Sridharan

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Update on the Revised Draft Payment Rules

CBEC has issued Revised Draft Payment Rules on 02.04.2017. Some of the important highlights proposed in the said Rules are as under: -

A. Electronic Tax Liability Register

- The electronic tax liability register shall be maintained in **Form GST PMT-01** on the common portal.

- The electronic tax liability register shall be debited by:-
  a) the amount payable towards tax, interest, late fee or any other amount as per the return furnished by the person liable to pay such amount;
  b) the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by said person;
  c) the amount of tax and interest payable as a result of mismatch;
  d) any amount of interest that may accrue.

A. Electronic Tax Liability Register (Continued)

- Payment of every liability by a registered person shall be made by debiting the electronic credit ledger or the electronic cash ledger and the electronic tax liability register shall be credited accordingly.
- The following amounts shall be paid by debiting the electronic cash ledger:
    1. Tax deducted at source
    2. Tax collected at source
    3. Tax under Reverse Charge Mechanism
    4. Composition levy
- The electronic tax liability register shall be credited accordingly in the above mentioned conditions.
- Amount relating to demands shall be debited in the electronic tax liability register. In case of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited to the extent of relief granted.
- The amount of penalty imposed shall stand reduced partly or fully, as the case may be, in case of payment of tax, interest and penalty relating to any show cause notice or demand order shall be credited to the electronic tax liability register.

B. Electronic Credit Ledger

- Every claim of Input Tax Credit under the Act shall be credited to the electronic credit ledger maintained in **Form GST PMT-02.**
- The electronic credit ledger shall be debited to the extent of discharge of any liability. **The Credit ledger may be used for making any payment towards output tax only.**
- Any claim for refund of any unutilized amount from the electronic credit ledger, the amount to the extent of the claim shall be debited in the said ledger.
- If the refund so filed is rejected, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by the proper officer by an order made in **Form GST PMT-03**.
- Any discrepancy in the ledger shall be communicated to the officer exercising jurisdiction in **FORM GST PMT-04.**
- Except as specified in the rules, no entry shall be made directly in the electronic credit ledger.

C. Electronic Cash Ledger

- The electronic cash ledger shall be maintained in **Form GST PMT-05** for crediting the amount deposited and debiting the payment towards **tax, interest, penalty, fee or any other amount**.

- Any claim for refund of any amount from the electronic cash ledger, the said amount shall be debited to the electronic cash ledger.

- Any amount deducted or collected in relation to tax deducted at source/collected at source and claimed in **FORM GSTR-02** by the registered taxable person from whom the said amount was deducted/collected shall be credited to his electronic cash ledger.

- If the refund so filed is rejected, either fully or partly, the amount so debited, to the extent of rejection, shall be re-credited to the electronic cash ledger by the proper officer by an order made in **Form GST PMT-03**.

D. Payment in Electronic Cash Ledger

- Any person, or a person on his behalf, shall generate a challan in **FORM GST PMT-06** and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount.
- The payment can be made through the following modes :
    1. Internet Banking through authorized banks
    2. Credit card or Debit card
    3. NEFT/ RTGS
    4. Over the Counter payment (OTC) through authorized banks for deposits up to **ten thousand rupees** per challan per tax period, by cash, cheque or demand draft. However, this amount restriction shall not apply to deposits made by the Government or notified persons, or by the proper officer authorized for recovery or during investigation / enforcement proceedings.
- The challan in **FORM GST PMT-06** shall be valid for a period of fifteen days.
- Payment made by a person who is not registered under the Act, shall be made on the basis of a temporary identification number generated through the Common Portal.

D. Payment in Electronic Cash Ledger (Continued)

- A Challan Identification Number (CIN) will be generated on successful credit of the amount to the concerned government account and the same shall be indicated in the challan.
- On receipt of CIN, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made.
- In cases where the bank account of the person concerned, or the person making the deposit on his behalf, is debited but no CIN is generated or generated but not communicated to the GSTN Portal, the said person may represent electronically in **FORM GST PMT-07** to the Bank or electronic gateway through which the deposit was initiated.

E. Identification Number for each transaction

- A unique identification number shall be generated at the GSTN Portal for each debit or credit to the electronic cash or credit ledger.

- The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic tax liability register.

Payment-Forms

Payment Form	Description
Form GST PMT-01	Maintenance of Electronic Tax Liability Register. (All amounts payable by taxable person will be debited to the said register.)
Form GST PMT-02	Maintenance of Electronic Credit Ledger. (Every claim of input tax credit under the GST Law will be credited to this Ledger.)
Form GST PMT-03	Order by proper officer rejecting refund (Any rejection of refund of any unutilized amount from the electronic credit/cash ledger)
Form GST PMT-04	Discrepancy in Electronic Credit Ledger (The registered person shall, upon noticing any discrepancy in his electronic credit ledger, communicate the same to proper office through the GSTN Portal)
Form GST PMT-05	Maintenance of Electronic Cash Ledger (The amount deposited will be credited to this ledger and the payments made towards tax, interest, penalty, fee or any other amount will be debited to this ledger.)
Form GST PMT-06	Challan shall be generated by registered taxable person or any other person on his behalf . The Challan so generated shall be valid for a period of 15 days.
Form GST PMT-07	Form of representation in case bank account of the concerned taxable person is debited but Challan Identification Number (CIN) is not generated or not communicated after generation

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